

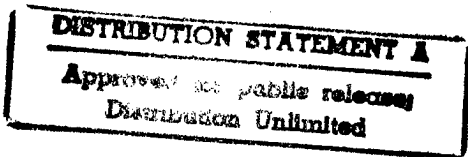


JPRS Report

Soviet Union

WORLD ECONOMY & INTERNATIONAL RELATIONS

No 11, November 1988



DTIC QUALITY INSPECTED 3

19980518 148

Soviet Union

WORLD ECONOMY & INTERNATIONAL RELATIONS

No 11, November 1988

JPRS-UWE-89-004

CONTENTS

10 MARCH 1989

[The following is a translation of the Russian-language monthly journal MIROVAYA EKONOMIKA I MEZH-DU-NARODNYYE OTNOSHENIYA published in Moscow by the Institute of World Economy and International Relations of the USSR Academy of Sciences. Refer to the table of contents for a listing of any articles not translated]

English Summary of Major Articles [pp 158-159]	1
Author Information [p 152]	2
Roundtable Reevaluates Soviet Views of Western Democracy [pp 5-18]	2
Rethinking of Marxist Ideas on Large Capitalist Corporations Urged [Yu. Kochevryin; pp 19-34]	11
General Kirshin Stresses Nonmilitary Aspects of Security [Yu. Kirshin; pp 35-45]	22
Third World Successes in Developing Exports Examined [N. Karagodin; pp 46-61]	29
Kiva Pessimistic on Third World Development Prospects [A. Kiva; pp 62-72]	39
Positive Changes in Japanese Nationalist Feeling Seen [V. Gaydar; pp 73-79]	49
Reply to Pevzner on Competition: 'Global Crisis' Seen [G. Danilin; pp 80-86]	52
Further Response to Pevzner: Marxist Analysis Defended [A. Naumov; pp 86-89]	58
Influence of Antiwar Groups in Asia-Pacific Region Evaluated [B. Zarankin; pp 102-110]	61
Italian Communist, Socialist Parties Confer on West Europe's World Role [N.K. Arbatova; pp 128-133] ..	69
Book on National Liberation Movements Reviewed [G. Mirskiy; pp 134-137]	69
Soviet Scientists' Committee Book on SDI Reviewed [A. Savelyev; pp 137-139]	72
Book on U.S. Policy in Asia-Pacific Region Reviewed [A. Bogaturov; pp 139-141]	74
Book on France's Role Within EC Reviewed [A. Sidorov; pp 141-142]	76
Book on Economic Changes Within Socialist Community Reviewed [L. Nezhinskiy; pp 150-152]	77
New Books [pp 152-153]	78
Chronicle of IMEMO Institute Scientific Activities [pp 155-157]	80
Articles in MEMO Not Translated [pp 1-2]	82
Publication Data	82

World Economics & International Relations

No 11, November 1988

English Summary of Major Articles

18160004a Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 11, Nov 88 pp 158-159

[Text] "Western Democracy and Problems of Present Day Social Development". Such was the topic of a discussion held at the "MEMO" editorial office. Leading scientists of the Department of social and internal political problems of the developed capitalist countries of the Institute of World Economy and International Relations took part in it. The principles of a scientific approach to an analysis of Western bourgeois democracy, its historical experience and trends of development were discussed there. It was noted that unscientific propaganda like approach, a substitution of a dialectic analysis by a cut and tried cliché prevailed in Soviet literature for a long time. The tradition of defamation of democratic gains has a long history. For example Stalin deliberately condemned the Western democracy in order to justify his own despotic, repressive power. The participants in the discussion believe that for Soviet science the problem of democracy is not only of theoretical importance. The course for democratization, adopted by the CPSU and supported by the Soviet people is designed to create absolutely new democratic social structure. The USSR should assimilate Western democratic experience in the interests of a successful competition with capitalism, of turning socialism into a system of democratic superiority over all other types of societies. It was emphasized that an analysis of the bourgeois democracy should be really scientific, objective and free from black and white stereotypes. The participants in the discussion focused on the need to bring back to marxist class analysis of democratic institutes, its original scientific depth. It is necessary to consider the mechanism of democratic relations, peculiarities of its functioning on different stages and in various conditions. The discussion concentrated on criticism of primitive and stereotyped notions about the problems of bourgeois democracy, their historical development and internal dialectics. The participants in the discussion sought to observe, develop and deepen the theoretical understanding of the basic problems of democracy and historical trends of their development. All these problems are of global character and directly concern the perspectives of democratization of the Soviet society.

Yu. Kochevrin in the article "Large Corporations as an Object of Analysis" claims that certain stereotypes which take place in the Soviet scholarly literature on capitalism need reassessment. Modern capitalist enterprise large in size and its monopolistic character do not develop in parallel courses. Multi-industrial and multi-national development of modern corporation, as well as its size are predetermined first of all by economic efficiency considerations. When monopolistic strategy prevails, as

exemplified by one-industry expansion of a number of corporations, the results is inefficiency, which is masked by monopolistic profits. The nature of economic efficiency in large business organisations was not studied well enough till now. The author also points out that modern experience of cooperation shows the possibility of technological division and efficient market transactions between firms. The article lays stress on the role of general management, control and property relations in large corporations as critical conditions for efficient allocation of physical and human capital.

Yu. Kirshin in the article "Policy and Military Strategy in Nuclear Age" investigates the relations between policy and military strategy. He reveals that the preparation of the country and armed forces for a war has in all class societies been in the focus of attention. In the nuclear age this problem becomes ever more urgent. Economic, social and political processes with the appearance of nuclear weapons and other means of mass destruction have changed the military strategy of the socialist, capitalist and developing countries. But this has brought about changes which together with general laws possess certain peculiarities, stipulated by the type of state and its adherence to this or that socioeconomic structure. The author claims that in the relationship between policy and military strategy the determining role belongs to policy which directs the development of the military strategy and sets the tasks before the latter. At the same time military strategy influences the content, nature and scale of policy. The degree of the influence depends on many economic, socio-political and military-technological factors. At present any mistake by technical and strategic leaders can bring about the destruction of entire mankind. Hence the responsibility of policy if compared with military strategy as a means for reaching one's aims is infinitely increasing. The author states that the interests of survival demand that broad circles of Soviet society be drawn into the mapping out of the foreign and defense policy and a mechanism be created capable of determining such a policy. The author states that at present the interconnection between policy and strategy cannot be secluded. A new interconnection has come into being: world policy, national policy and military strategy of states both nuclear and non-nuclear. Policy, strategy and international security problems are bound up closely with global problems. Political control over nuclear strategy should be established in all countries.

Growing differences in the world economic positions of developing countries has become a characteristic feature of the 80s. The article by N. Karagodin "Developing Countries: Economic Policy and Position in World Economy" attempts to explain these differences by pointing at highly divergent economic policies of third world countries. The author shows that in many cases direction of the state economic policy has been determined not by long-term national economic goals but by political interests. Their influence often hampers changes necessary for raising efficiency, stimulating

export, reviving agricultural production. Special attention is paid to the experience of a few countries most successful in world markets of manufactured goods. The author arrives at the conclusion that in these countries dynamic economic development was possible thanks to the existence of a strong state, capable of implementing coherent long-term economic strategy and suppressing the opposition of social groups, trying to gain privileges at the expense of a society at large.

The article "Social Orientation: Theoretical Potential of the Concept and Practical Realities" by A. Kiva is written in the form of a discussion. It considers a number of problems dealing with the socialist orientation of the non-capitalist road of development which according to the author is the same. A. Kiva believes that the theoretical level of elaboration of the concept of non-capitalist transition to socialism is low. This is a direct result of the crisis of Soviet social science proceeded from the period of stagnation ("brezhnevshina"). To take it wider it is one of the consequences of the commanding-administrative Stalinist model of socialism. Perestroika is called upon to dismantle it and substitute it by the Leninist model of socialism. The author arrives at the conclusion that external precondition (that is possibility of the existing socialism to render an economic or other assistance to developing countries) are inadequate to secure successful development of many of them to socialism by-passing capitalism or its developed forms. Not all backward societies have endogenous conditions for socialist development. Much attention in the article is paid to the interdependence of social development in the socialist countries and the socialist-orientated states what was usually ignored in the past. The author draws a conclusion: the socialist orientation can provide the transition to socialism a number of countries but there will hardly be many of them. It would rather be a result of a favourable combination of endogenous and exogenous factors.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Author Information

18160004b Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 11, Nov 88 p 152

[Text] Prof Georgiy Ilich Mirskiy, doctor of historical sciences, chief scientific associate of the USSR Academy of Sciences IMEMO.

Aleksandr Georgiyevich Savelyev, candidate of economic sciences, senior scientific associate of the USSR Academy of Sciences IMEMO.

Aleksey Demosfenovich Bogaturov, candidate of historical sciences, senior scientific associate of the USSR Academy of Sciences United States and Canada Institute.

Aleksandr Sergeyevich Sidorov, junior scientific associate of the USSR Foreign Ministry Moscow State International Relations Institute.

Dmitriy Vasilyevich Smyslov, doctor of economic sciences, lead scientific associate of the USSR Academy of Sciences IMEMO.

Valentin Markovich Usoskin, doctor of economic sciences, head of a department of the USSR Academy of Sciences IMEMO.

Natalya Borisovna Gnatovskaya, candidate of economic sciences, senior scientific associate of the USSR Academy of Sciences IMEMO.

Natalya Nikolayevna Krichigina, candidate of economic sciences, lead scientific associate of the USSR Academy of Sciences IMEMO.

Leonid Nikolayevich Nezhinskiy, doctor of historical sciences, deputy chairman of the USSR Academy of Sciences "History of the International Relations and Foreign Policy Activity of the Soviet State" Scientific Council.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Roundtable Reevaluates Soviet Views of Western Democracy

18160004c Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 11, Nov 88 pp 5-18

[IMEMO Roundtable: "Western Democracy and Problems of Contemporary Social Development"]

[Text]

A discussion held in the MEMO editorial office was devoted to this subject. The following staff members of the USSR Academy of Sciences IMEMO Department of Social and Domestic Policy Problems of Developed Capitalist Countries participated: Doctor of Historical Sciences S.P. Peregudov, head of a department, Candidate of Historical Sciences K.G. Kholodkovskiy, lead researcher, and Candidate of Historical Sciences A.M. Migranyan, lead researcher. The discussion was chaired by Doctor of Historical Sciences G.G. Diligenskiy, chief editor of MEMO.

G. Diligenskiy. We have gathered to discuss the principles of a scientific approach to an analysis of Western bourgeois democracy, its historical experience and development trends. It is with good reason that I speak precisely of the scientific approach. After all, it is perfectly obvious that an entirely unscientific, propagandist—in the worst sense of this word—approach and the substitution for dialectical analysis of ready-made value

cliches prevailed for a long time in our literature, popular literature particularly. Problems of democracy "fared" less well in this respect even than other aspects of the life of Western society: it was invariably explained to us that it was fraudulent, designed to disguise capitalist exploitation, conceal the omnipotence of the monopolies and so on and so forth. It was quite hard combining all this with the significance which the West's progressive forces and the communist and workers movement have always attached and continue to attach to the defense of existing democratic political institutions, rights and liberties and with the fact that it was these goals which inspired the struggle against fascism.

The tradition of pillorying the democratic gains of Western societies has a long history. A particular part here was played by Stalin. It is significant that in the period of the Great Patriotic War Stalin deemed it possible to speak of the anti-Hitler coalition as an alliance of democratic states, thereby recognizing the democratic (without quotation marks, without the addition of the particles "false" and "pseudo"!) nature of the state system of the United States and Great Britain. Subsequently, however, these words were forgotten. And not without reason: Stalin needed the unceremonious condemnation of Western democracy to justify "by the rule of contraries" his own despotic-repressive power and to suppress dissidence. Unfortunately, this tradition is alive today also....

Problems of bourgeois democracy are of far from merely theoretical significance for Soviet scholarship. The policy of democratization adopted by the CPSU and supported by the Soviet people is geared to the creation of a fundamentally new, historically unprecedented democratic arrangement of society. This, in particular, means that it cannot fail to take as a basis the entire world-historical experience of struggle for democracy and all that has been achieved in this sphere by social progress and has become an organic component of human civilization. As historical experience teaches, any attempts to create something new merely on the basis of total rejection and destruction of the old as its simple negative lead to tragic failures; the law of continuity is a most inexorable law of history. The assimilation of Western democratic experience is essential for us also in the interests of successful competition with capitalism and the conversion of socialism into a system superior in its democratic nature to all other types of society. Such a formulation of the question is prompted also, incidentally, by the celebration next year of the bicentenary of the great French bourgeois revolution. This event will undoubtedly once again attract the attention of the world community to the historical destiny of democracy.

All that has been said does not mean, of course, either the idealization of bourgeois democracy or an abandonment of an analysis of its social foundations and historical limitedness. But this analysis must be truly scientific, objective and free of primitive, black-and-white stereotypes. Inasmuch as such stereotypes have, as

already said, eaten quite deeply into our thinking it is essential for us for a start, I believe, to look into our theoretical equipment, so to speak, pertaining to this problem. Kirill Georgiyevich, will you not agree to continue this subject?

K. Kholdkovskiy. Willingly. The more so in that under the conditions of perestroyka democracy is a key concept. It is not fortuitous, however, that it has been said that we need to study democracy. It is a question, I believe, not only of the practical assimilation of its experience but also of the surmounting of the blinkered view of certain basic concepts connected with democracy and its history and with the world experience of its development. Naturally, our Soviet system of socialist democracy will develop in the course of perestroyka on its own particular basis, but I fully agree with you that we will hardly cope in the improvement process without consideration of the whole world experience. And it is important how this experience is approached.

It is well known that democracy is defined by our authors as a form of political power characterized by the participation of the citizens in administration, equality before the law and the existence of certain rights and liberties.¹ However, with respect to the history of bourgeois society these important essential characteristics of democracy have traditionally been screened in our scholarship by a whole number of firmly evolved stereotypes making the analysis thereof at every step a trivial propaganda cliché.

The class, formational approach to social phenomena, to such a phenomenon as democracy included, was at one time a big achievement, for which scholarship is obliged to Marxism. The fact that the fate of democracy, its particular features, the sphere of its application and its interpretation and functioning depend on the nature of class relations in society, on which class occupies the predominant position therein and what, consequently, the social formation is under whose conditions democracy operates is for Marxists an indisputable truth. But the narrow dogmatic understanding of Marxism which triumphed for a long time in the Soviet social sciences led to the examination of democracy as a social phenomenon being confined, as a rule, not even to a class analysis but in fact to a simple reference to its class essence and the pinning on of this label or the other bearing a plus or minus sign.

Bourgeois democracy signifies limited, abridged, formal and false democracy, and this in many instances has reduced the author's task to "exposure" and a repetition of the same clichés, sparing him an examination of the complex metamorphoses of the democratic idea at different stages of the development of capitalist society and a dialectical analysis of the role of democratic forms of power in social and class respects. Socialist democracy signifies a priori a higher form thereof and a surmounting of the limited nature of bourgeois parliamentarianism, regardless of the specific historical embodiments this democracy has assumed and the serious limitations

and distortions which have been foisted upon it in this period or the other. Only at times, usually in cases where it has been a question of struggle against fascism or the problem of creation of antimonopoly alliances, have authors recalled that in bourgeois society also democracy is a value which is in need of protection against encroachments and of the utmost affirmation. But this has exerted insufficient influence on general evaluations.

Abandoning such pseudo-scientific cliches intended to depict a class approach is now a task which goes without saying. It is essential to return to the Marxist class analysis of democratic institutions its truly scientific profundity. This profundity is to be found in the best works of Soviet historians and political scientists. But something else is of importance, in my view, also: to ask whether the formational, class approach to such a complex phenomenon as democracy is sufficient and whether it exhausts the subject. It seems to me that democracy—the democratic idea and democratic rights and institutions—is undoubtedly also of extra-formational, general content. The difficult, contradictory and sometimes painful development of democratic forms in history is evidently a most important component of social progress and mankind's difficult ascent toward more civilized relations, and this dimension cannot fail to be present in our approach even to the varieties of democratic power limited by specific historical conditions. Slave-owning democracy, despite the ruthless exploitation of a bound minority, was a tremendous leap forward in the development of political forms and a breakthrough into the future of colossal importance. It is not fortuitous that, despite the barrier of centuries and entirely different social formation, Athenian democracy was the model which inspired figures of the great French Revolution. This did not prevent further progress in the elaboration of specific democratic forms and institutions—parliamentarianism, rights of the individual and so forth.

But if we recognize the significance common to all mankind of the process of the historical formulation of democratic forms of political power, one further aspect of the study of democracy inevitably arises: the "technical" aspect, so to speak. Independent significance is attached to study of the **mechanism** of democratic relations and the singularities of its functioning at different stages and under different conditions. In what way and how effectively do these institutions and procedures or the other secure political equality, the rights of the individual and the masses' intervention in the process of administration—this is what the analysis must show. A "calling" down the ages and via formations arises here also, and this specific question or the other can by no means be solved by an elementary reference to the historical superiority of one class form of democracy to another.

G. Diligenskiy. Consequently, to return to present-day Western democracy, it would be correct to say that, besides bourgeois class components, it contains also

extra-formational components expressing its "contribution" to general historical democratic development. A more specific investigation also of the correlation of the said two aspects in the common bourgeois-democratic arrangement and the nature of this "contribution" would make sense, probably.

S. Peregudov. In my opinion, we will altogether not under current conditions find bourgeois democracy in "pure" form anywhere. This "pure" bourgeois democracy existed in the 18th-19th centuries, when the bourgeoisie had only just forced its way into power and created a political system which secured for it as a class complete or partial political domination. This new system was based, as distinct from the feudal system, not on the principle of the direct political power of the owners of the basic means of production (which was the land and, in some cases, the peasantry itself) but on the principle of political representation, which ensured access to power of the far more populous class of the bourgeoisie, petty included.

A. Migranyan. Excuse me for interrupting you, Sergey Petrovich, but I would like to amplify right away what you said concerning the system of political power under feudalism. The point being that in some Western countries, England primarily, it was in the era of feudalism that institutions of group representation emerged which were subsequently used by the bourgeoisie and other social strata to create a democratic political system.

S. Peregudov. I fully agree with you. I would like merely to note that under feudalism, even in countries in which such institutions had been created, an essential characteristic of the political system was, nonetheless, the above-mentioned direct connection between ownership and power. The qualifications introduced after the bourgeois revolutions also precluded the participation of the indigent classes of society in the political process, these being completely deprived of the possibility of influencing the decisions which were adopted.

However, while even purely class-based in nature, the political system created by the bourgeoisie contained from the very outset "supraformational" elements also. These were primarily the very principle of political representation and also such most important attributes thereof as parties, elections, representative institutions and the primacy of these latter over all other political institutions. And it is not surprising that even the Stalin constitution essentially reproduced, albeit purely formerly, precisely this "bourgeois" system of institutions.

In this case it is a question merely of principles and form which did not influence for the time being the nature of power itself. However, in themselves these principles were and are of considerable significance, particularly if we look at the negative consequences to which their violation has led and continues to lead both under the conditions of capitalism and under socialism. It should not be forgotten that these principles and forms were

created in an era when the bourgeoisie was a young, rising class capable of wide-ranging political creativity, when it expressed not only its own, class, but also broader interests, national and those common to all mankind. In that situation it could allow itself to act as a force personifying not only the present but also the future, and, as emphasized by the classics of Marxism-Leninism, by no means only a bourgeois future, what is more. After all, it is precisely thence, and not only from historical succession, that the practical connection between the bourgeois and socialist revolutions and the possibility of the growth (and not simply denial) of the one into the other ensue. Now, after so many decades of dogmatic oversimplifications and distortions of Marxism, the well-known Marxist proposition concerning socialist revolution, which not only makes a breakthrough into a new society and not only does away with but also puts the finishing touches to much of what the bourgeois revolution, by virtue of its limited nature, was unable to do—and, what is more, not only in the social ("equality," "fraternity") but also in the political plane ("liberty")—is perceived by many people as a heresy virtually.

In fact, what is meant by transition from a direct, feudal system of government to a representative, elective system other than the affirmation in principle (I emphasize, in principle) of the sovereignty of the people and the civil society over political power? And not only in the sense of "accountability" and "supervision" but also in the sense of replaceability and the obligation to periodically appear before the "court" of the electorate, which is at liberty to retain the given group of political leaders at the helm of government and at liberty to remove it also.

The direct connection between ownership and power which existed under feudalism was severed, although this connection by no means disappeared, moreover, as the danger of a weakening of the power of the bourgeoisie grew, most earnest efforts aimed at the restoration of this connection and the creation of an entire system of guarantees of the preservation of the political leadership of society in the hands of a privileged minority were made.

This process, which came to be called with us the "emasculatation of bourgeois democracy" and "bourgeois pluralism," it would have been more correct, from my viewpoint, to call a process of the limitation and constriction of democratic principles in the government of bourgeois society. It was to some extent also a process of self-limitation of the bourgeoisie and the access of broad circles thereof to power. However, its class meaning is not this, more precisely, mainly not this but the fact that the bourgeoisie strengthens its political domination thanks to a limitation of the possibilities of influencing the power mechanism of the broad strata of working people.

In fact, in whose interests is the executive being strengthened almost continuously at the expense of legislative authority, that is, of parliament and other representative

institutions? Primarily, of course, in the interests of the ruling classes, which have far closer relations with the machinery of state, the upper stratum of which is an organic part of the latter. Or the process of the strengthening of direct relations between the exponents of political and economic power, that which we call (per Lenin) the fusion of the monopolies and the state? The growing intervention of major corporations in the electoral process (which is manifested in the most unconcealed fashion in the United States) is geared to the same effect also. All these and a number of other limitations by no means, in my view, infringe or virtually do not infringe bourgeois democracy inasmuch as they, first, do not jeopardize the political domination of the bourgeoisie and, second, do not violate the principles thanks to which this class was acquainted with political power.

Granted all the "emasculatation," parliament and other representative institutions preserve their basic functions of legislative bodies and those shaping executive authority. Parties, via which the political participation of broad strata of the bourgeoisie is realized, are preserved and continue to function. The bourgeois-democratic rule of law is preserved. In other words, all the above-mentioned limitations are, in turn, "limited" by the reluctance of the bourgeoisie itself to undermine the basis of that very democracy which afforded it an opportunity to take the helm of government of society. Being not a narrow group but a class, and a very large class, what is more, the bourgeoisie organically cannot control society other than via representative institutions and under the conditions of the democratic rule of law. The neoconservative change, the main driving force of which was by no means the monopoly but primarily the middle and petty bourgeoisie and the representatives of other strata and groups of the population (including part of the working class) in sympathy with it, was, aside from all else, geared also to a certain limitation of executive power and a strengthening and expansion of the role of representative institutions. We are frequently too unequivocal in our evaluation of the nature of this change, failing to consider its entire contradictoriness. It may without any exaggeration be said, and I have already written about this, that the neoconservative change strengthened the political positions of the middle and petty bourgeoisie, which was troubled by the growing "statization" and bureaucratization and the increased role of direct relations between the major corporations and political power in circumvention of the broad, including bourgeois and petty bourgeois, masses. Of course, the political essence of neoconservatism—a phenomenon in which both authoritarian and, at times, frankly reactionary trends, particularly when it is a question of the rights of the working people and their organizations, are clearly discerned—by no means amounts to just this. But those who attempt to portray the neoconservative change as something unequivocally reactionary denying, virtually, the underlying values of bourgeois democracy are manifestly in error.

G. Diligenskiy. Sergey Petrovich, the attitude of neoconservatives toward the basic democratic institutions and

values is an exceedingly important problem and merits, evidently, special discussion. Would it not therefore be more advisable for us, not going far beyond the designated framework of this part of the discussion, to return to a more detailed examination of this problem somewhat later.

S. Peregudov. You are right. We should not get ahead of ourselves, the more so in that we have yet to expound our positions and our understanding of the essence of bourgeois democracy. I believe it necessary to emphasize that the bourgeoisie as a class is primordially interested, by virtue of the gap between economic and political power which objectively exists, in the establishment and development of representative democracy for only this democracy affords it, as a class, an opportunity to exercise not simply political hegemony but also the political leadership of society.

From this viewpoint we have further to investigate whose political representatives were fascism and fascist regimes and what their class support was. In any event, there is every reason to approach critically the proposition that fascism was a form of the class domination of the bourgeoisie. I believe that bourgeois and significant numbers of the petty bourgeois strata experienced the political oppression of fascism and its suppression of the rights of the individual to no less an extent than the working class and, particularly, its mass categories. So that whereas the bourgeoisie allowed fascism to come to power and even contributed to this, it did so rather in spite of than thanks to its social and class essence and by virtue of the special circumstances of that time and the underdevelopment and immaturity of its class and political consciousness.

G. Diligenskiy. There arises in connection with what Sergey Petrovich has just now said the following theoretical question: how justified is the pervasive proposition concerning democracy as the open or camouflaged dictatorship of the ruling class (see the same "Concise Philosophy Dictionary")?

K. Kholodkovskiy. It is known that V.I. Lenin employed this formula at the height of bitter revolutionary battles, using it against the militant opponents of Soviet power. Whence it does not follow that, removing it from its historical context, it may be unthinkingly repeated in entirely academic publications and used as an all-purpose master key which opens all doors. The 20th century, which has known many dictatorships, in the guise of the most progressive democracies included, has taught us to be more guarded in our use of the term "dictatorship" and to draw a more distinct line between the essence and form of class domination. Undoubtedly, in the class-based society each democracy is ultimately a form of the power of this class or classes or the other. But is this all it amounts to? Are we not losing sight here of the actual dialectics of the relations of the ruling and subordinate classes, "upper strata" and "masses" and managers and

managed—relations which are by no means reduced under a democratic setup to the simple "command," "order" and open or veiled coercion?

A. Gramsci showed very well in his prison notebooks that an efficient political mechanism must possess a powerful synthesizing force capable of welding together and integrating in a single direction various social interests. These interests differ even within the confines merely of the ruling class. But a policy expressing merely the interests of all factions of the ruling class without exception even is hopeless. After all, there are additionally its allies and its subordinate classes and strata, which cannot be kept in harness by simple compulsion. The class which is the genuine hegemon of society (and strong class domination is impossible without hegemony) has to take into consideration, if only partially, the interests of other classes. A combination of the fundamental interests of capital and the partial interests of the working class and all working people and compromise between them—such, essentially, is the formula of the class domination of the bourgeoisie. Coercion is merely the final argument.

But to determine the degree of correlation between coercion and the consideration of interests, to determine these interests themselves and to formulate a complex synthesis thereof not threatening the foundations of power a well-oiled mechanism is required. Such a feedback mechanism, as we now say, is provided precisely by political democracy, and not dictatorship relying more on coercion, direct forms of domination and the passiveness of the masses in one way or another blocking or stopping up channels of the consideration of diverse interests. Given bourgeois democracy, such a mechanism is the multiplicity of parties and public organizations, which reflects the actual multivocal nature of social life, and the rules of the parliamentary and extra-parliamentary political game affording an opportunity for comparing in action and struggle these interests and programs and determining the actual correlation of forces prompting the most dependable versions of compromise.

All this essentially explains why it was bourgeois democracy which became the classic form of state power of the bourgeoisie. We should remember one further stereotype here in our understanding of democracy. Paradoxically, there is a certain vagueness in our country as to which forces are interested in the affirmation and preservation of democracy in bourgeois society. Despite the description of bourgeois democracy as the "dictatorship of capital," the belief that the bourgeoisie was interested in democracy basically at the early stages of its development, when it had just come to power and used democratic slogans and institutions as a weapon against feudalism and absolutism, is widespread. Sometime either in the period of the emergence of fascism, in the 19th century, following the establishment of capitalism in the main West European countries, or even immediately

following the appearance on the scene in the 1930's-1940's of the workers movement, it lost interest in championing democracy, which could turn against it, and began to betray the interests of democracy, in a word, jettisoned democratic rights and liberties.

This idea was formulated in most consummate form, if I am not mistaken, in Stalin's speech at the 19th party congress. Whereas in the first decade of the Stalin period the main efforts had been exerted to show the worthlessness of bourgeois democracy, in the last few years of his life, to prove the proposition that since the bourgeoisie, as Stalin said in the same speech, had cast aside the democratic banner, there was no one to raise it other than the communists.

Granted all its ostensible progressiveness (the value of bourgeois-democratic liberties had finally been noticed, and there was an end to nihilism in this respect!), this proposition provided an entirely unrealistic, sectarian guideline, frequently condemning the communists to self-satisfied isolation and a tilting at windmills.

It ignored the fact that, regardless of the subjective mood of this grouping of the bourgeoisie or the other, the whole political practice of capitalist society (except for individual, comparatively short-term periods in the life of this country or the other) has been and continues to be organized on the principles of democracy. And no wonder: political democracy with its legal equality of individuals, electoral contestability and pluralism of the parliamentary game represents a complete analogy with the market principles of the organization of the capitalist economy. What real benefits such a political system affords the ruling class have already been discussed. It not only makes it possible to keep sociopolitical conflicts within a legal framework and prevent them bursting their banks but also ensures an opportunity for the use thereof to strengthen the existing system.

S. Peregudov. All this is so. However, in speaking of the devotion of the bourgeoisie to the principles of democracy we cannot at the same time fail to see the limited nature of this devotion and its endeavor, while remaining faithful to the principles of democracy, to realize them such that they serve primarily its own interests.

There arises in this connection a question of fundamental importance concerning the role of the other, nonbourgeois classes and strata of society, primarily the working class (although not it alone), in the development of democracy in bourgeois countries. The class meaning of the struggle which they have conducted has consisted primarily of broadening their own political rights and seeking conditions which would permit them and their organizations to really participate in the political process and influence the entire system of political and socioeconomic decision-making. However, the struggle has also been of far broader significance for the fate of Western democracy, and not only Western. It has stimulated the

further development of democracy and democratic institutions and largely blocked the attempt of the bourgeoisie, particularly its upper stratum, to monopolize access to political power. In the severest struggle they have achieved universal suffrage, the right to organize their own parties and their equal participation in the political process, the right to organize in trade unions and other nonparty associations, labor legislation which has limited appreciably the arbitrariness or "sovereignty" of the employer, various forms of participation in management or economic democracy and the broadening of a number of other rights and liberties, particularly in the social sphere, now called "human rights".

K. Kholodkovskiy. In other words, like any historically conditioned phenomenon, political democracy is not something given once for all and equal in itself. It has had a long history, and its development has been directly influenced by the course and evolution of the interactions within the ruling class and between the ruling class and subordinate classes which this democracy was intended to regulate. The limited parliamentary system of early capitalism has little resemblance to the current system based on universal suffrage. The present ramified network of "pressure groups" which are taken into consideration in the political balance is totally different from the associations of working people of the first half of the 19th century, which emerged sporadically in an as yet amorphous society and were in fact without legal rights (in France, for example, the Le Chapelier Law, which was aimed against such associations, lasted for several decades after the great French Revolution). Political parties have repeatedly in the two or three centuries of their existence changed their appearance and the type of their organization.

Both the entire class of capitalists and individual factions thereof have in different periods occupied different positions in this complex development. The "conveniences" of democracy for the bourgeoisie have always been combined with "inconveniences"—it could not have been otherwise since the essence of democracy is of a conflict nature and since this conflict ensues from the difference and, at times, contrast of social interests. For this reason tendencies—sometimes more, sometimes less strong—to question this instrument of the parliamentary democratic mechanism or the other, to choose from numerous alternatives the minimal or "cheapest" alternative, to dwell on what has already been tried and tested, not accepting innovations, and, at times, to call in question the mechanism itself have always arisen. We would add to this that for many decades the bourgeoisie coexisted, peacefully or not very peacefully, with fragments of the feudal classes which gradually merged with it and introduced to its ranks their nostalgia for the "ancien regime". The working class, which had squared its shoulders, made many democratic institutions increasingly double-edged for the bourgeoisie. The monopolies, as Lenin ascertained, intensified their propensity for political reaction, but, despite the wave of fascism in the first half of the 20th century, a condition

of the preservation and strengthening of the power of capital was by and large not a narrowing but broadening of democracy. Whatever the reservations advanced against "boundless democracy" by contemporary neo-conservatives and whatever powerful old and new forces have operated in bourgeois society to limit and emasculate democratic rights and liberties, the capitalist class has been forced to reconcile itself in practice to the idea that dictatorship is nonfunctional, inefficient and short-lived and that democracy, on the other hand, is inevitable and, what is most important, pays for itself, despite all the costs connected with it.

S. Peregudov. In my view, it is important to affirm that the historical development of democracy does not amount to its quantitative increase. No less material is the fact that the very principles of democracy have simultaneously been enriched, albeit in very slow and limited fashion. A most important new principle, which has become widespread in political practice and has enjoyed certain legislative officialization, has been that of "direct" or "functional democracy," which, albeit in abridged form, nonetheless ensures this degree or the other of the participation of the working people and their organizations in the system of socioeconomic and political decision-making from the bottom up. In the historical plane this has been most fully expressed in the introduction of the unions and working people's outfits to the management of production and the economy as a whole. Under current conditions this means various forms of pressure of environmentalists, consumers and the peace movement at the national and local levels.

"Direct democracy" has become an organic part of political life, and its "institutions," inalienable components of the modern political system of bourgeois society. How far these components have been developed and what place they occupy throughout the political system of Western countries is another matter.

G. Diligenskiy. The process of the historical development and enrichment of democracy in Western societies is obvious. But how has it been reflected in the evolution of its class essence?

K. Kholodkovskiy. The answer to this question requires a clear idea of the nature of the working people's interest in bourgeois democracy and their role in its establishment, preservation and development. Cliches preventing a perception of this role in its real historical depth and complexity are prevalent here also. Primarily the working class and working people in certain bourgeois revolutions appear very odd and, it may be said, pitiful in the portrayal of our historians. They are in fact assigned the function of blind tool of class enemies: they fight and shed their blood, but the day after the victory of the revolution it transpires that its fruits have been usurped by the bourgeoisie, and all has been reduced to a transfer of power to the latter. The fact that the working people in this struggle not only advocated but also **defended** socioeconomic interests very important for themselves and

that the constitutional parliamentary democracy (albeit limited at that stage by property and other restrictions) and this freedom or the other, albeit formal, achieved in this amount or the other—that is, all that represents their conquest and opens to them, in the future particularly, new social and political horizons—are usually virtually ignored. Even if a comparison of the new political system with the old regime is made, bourgeois democracy appears merely as the "lesser evil".

The customary definition "formal" used to describe bourgeois democracy (formal rights, formal liberties) is understood in our country extremely one-sidedly, as some term of abuse, as denoting almost something which does not actually exist. Yet this term contains by no means only an indication of the nonprovision of the actual perspective and the absence of the actual guarantees which socialist democracy promises. Formal rights and liberties signifies rights and liberties clothed in legal **form** and recorded in the law and in legal provisions which acquire universal significance, regardless of the specific interests and persons which clash. This means a denial of tyranny, the equality of citizens before the law (limited by their actual inequality, of course) and a state of the rule of law, that is, the presence of binding rules and procedures which ensure a division of power, put officials within a constitutional framework and create the legal (purely legal—this being their weakness) protection of the citizen against the abuses of official bodies and the strong of this world. Does it have to be proved that not only the bourgeoisie had an interest in the establishment of the constitutional rule of law?

Apparently, it does. As we can see, an odd situation takes shape in Soviet social science: on the one hand bourgeois democracy only conceals class domination, but the bourgeois for some reason or other quickly cools toward it, on the other, only the working people can defend democracy, but whether it is worth defending it if it is merely veiled bourgeois dictatorship is not clear.

Not only the attitude of the bourgeoisie but also that of the working class and the working people toward the parliamentary-democratic system very likely needs to be comprehended dialectically. And even if the constitutional legality of the 19th century with all its shortcomings which gave rise to serious complaints and criticism on the part of consistent democrats and fighters for the people's rights was, it would seem to us, useful and entirely necessary to this people in the struggle against lawlessness and tyranny, this applies to an even greater extent to contemporary democratic forms, on which the long struggle of the working class has made its unambiguous mark.

There is, after all, a dual dialectic here: first, as already said, to stabilize its power the ruling class must necessarily limit itself in some respect and consider also the interests of its subordinates, but, second, the mechanism of consideration of these interests is for the subordinate class a kind of beachhead, which it may attempt to

expand and has been doing so successfully (although not without failures, retreats and reverses) throughout the history of bourgeois society.

Everything is decided by the correlation of class forces. The proletariat of the mid-19th century, small, semi-literate, unorganized and lacking serious experience of political struggle, was not at that time capable of winning universal suffrage, the rights of professional organizations and labor legislation. However, the years went by, and, developing under the conditions of even narrow and abridged bourgeois democracy, the strength, organization and degree of enlightenment of the working masses grew, the influence of the workers movement increased, particularly after the October Revolution, and, given the new balance of class forces, the framework of political democracy was extended. Many rights and institutions of which the most radical democrats of the last century could in the majority of countries only dream—universal suffrage, with no exceptions, provincial and local self-government and the socioeconomic and political rights of unions—became a reality. Constitutions appeared (Italy, Portugal) which under the influence of democratic revolutions recorded the state's right to expropriate private property and implement structural reforms in the interests of the people. The working class and the working people gained an opportunity to defend their interests by reliance on the constitution and the law.

The former yardstick of narrow-class bourgeois democracy is hardly applicable to such political institutions. Yes, of course, these are institutions of bourgeois society and as such they serve primarily the ruling class. But the working people who defended them in the struggle against fascism and who left on them the imprint of their achievements have every right to consider political democracy—not only parliamentary democracy now but democracy enriched by a whole number of the institutions which have arisen in the 20th century—to a large extent their own democracy corresponding to their interests and to value the legal guarantees and “rules of the game” which have been recorded in the law and tradition. Of course, they by no means consider these forms ideal, and the masses' devotion to parliamentary democracy is now combined in all Western countries with serious complaints about it on the part of those same masses and with alienation from those of its institutions and traditions which embody its limitedness, half-baked nature, lack of real, basic social guarantees and the complex, hierarchical and ossified nature of structures extricating the “upper strata” from the direct control of the masses. But all this is criticism objectively directed, regardless of the subjective intentions of its exponents, not at the undermining but at the further development of democratic institutions.

Are we not ourselves here verging on the error of contradiction: on the one hand present-day parliamentary democracy is beneficial to the bourgeoisie, on the other, to the working class and working people? To whom more? Where is the class approach here?

It consists, I believe, in seeing the class struggle developing in the soil of parliamentary democracy, around this institution thereof or the other, around its actual prospects, and it is here, in the actual struggle, that it is decided by the hour and by the minute to which of the struggling classes it will prove the most useful. It is being decided by the correlation of forces and, consequently, assertiveness, ability, initiative and foresight. The parliamentary mechanism serves to consolidate and improve the bourgeois system, but it, in the thinking of many communists of the West, could be a means of limiting and eliminating the power of capital.

But this is only part of the answer. There is another. If it is indeed necessary to see in democracy not only the class but also the general, humanitarian aspect, we should very likely in this perspective also examine the consensus which in respect of democracy now unites, despite class and ideological differences, the bulk of Western society. It is possible in the spirit of the new thinking to discern therein accord, cultivated with difficulty and by agonizing historical experience, concerning “rules of the game” which, granted all the complex perepeteias of the struggle between the different concepts of social prospects, would not detonate society and bring about destructive cataclysms, which are particularly dangerous under current conditions.

G. Diligenskiy. We are evidently close to completing the first cycle of our discussion, so to speak. Why has it focused mainly on criticism of primitive-clichéd ideas concerning bourgeois democracy and problems of its historical development and internal dialectics? Andranik Movsesovich, would you not care to have your say on this list of problems?

A. Migranyan. Yes, of course. The more so in that if not in essence, then in wording my viewpoint differs somewhat from those just expressed. And this applies primarily to the “bourgeois democracy” concept itself.

But first I would like to mention a number of reasons why the ideas concerning the development of the industrial countries of the West were distorted and whence, as a result, concerning democracy in these countries. I believe that this was largely associated with our understanding of capitalism or, to be more precise, our reluctance to understand it in its modern forms. It is axiomatic that each dynamic system develops, and each system has its own constituent components. The capitalism of the laissez-faire era had some constituent components in the economy and political system, present-day capitalism, others entirely. For example, in the sphere of the economy in the laissez-faire era such constituent components were private ownership, the nonseparation of the function of ownership and management in the economic sphere and completely unlimited free competition. In the political sphere, negative freedom or freedom which presupposed the existence of inalienable personal rights and liberties for the individual and a guarantee against interference on the part of the state and society. The role

performed by the state in that period—that of “night watchman” protecting order and the safety of the citizens’ life—corresponded ideally to this economic and political system. In the moral sphere the constituent idea was that of the utilitarians concerning the fact that everyone was free to pursue his egotistic personal interest. This was grounds for saying that the basis of the morality of this society was the “man is a wolf to man” principle or that it verged on a presocial, natural state of “war of all against all”.

Today’s capitalism is cardinally different from this model in all these respects. Qualitatively different constituent components have taken shape. The paradigm both in the economic sphere and in the political and moral spheres has changed. For the present-day economic system in the developed industrial countries of the West personal property and nonseparation of the function of ownership and management and free competition in the economic sphere are more complementary and auxiliary than constituent components. In the political sphere the concept of negative freedom or freedom from has been replaced by that of positive freedom, that is, freedom for. This has meant that not only the prosperous part of the population but the whole of it wishes to avail itself of the rights and liberties advanced by liberal-democratic doctrine. That is, as distinct from the numerous and now axiomatic assertions that the bourgeoisie was revolutionary and progressive only in a limited period, before and after revolutions, we may boldly assert, divesting ourselves of the entire old inoperative rubbish, that, as capitalism has developed and the people’s masses have been enlisted in the political process, there has been a constant expansion of democracy and the acquisition of rights and liberties by the masses at large and democratic principles have been suffused with increasingly new and more effective content. In the wake of the demand for a broadening of political rights the demand for the effectiveness of socioeconomic rights for broad strata of the population, which is even today the main problem around which different interests clash, moved to the forefront of social life. Naturally, the masses could not within the framework of the civil society have attained their ends had the state not come to their assistance. So the role of the state also has undergone a radical and qualitative change in the life of society. The “minimal state” in the role of “night watchman” grew into a powerful organism subject to pressure on the part of the masses and assuming the role of guarantor of social, economic and political stability in society. And in the moral sphere the individualism of the laissez-faire era with its tendency toward the unlimited pursuit by each of his personal interest gave way to an individualism of a collective interpretation, when the pursuit of economic interest was combined with acceptance of the ethical maxim that society must secure for everyone an existence worthy of man, that is, some minimum of social and economic protection. Thus there have in the past several decades in all three spheres been qualitative changes in the constituent components of Western societies compared with the situation in the

middle of the last century. Despite this, not counting special scholarly publications, practically all entire educational and propaganda literature on philosophy, political economy and scientific communism has emphasized the invariability of present-day capitalism in its essential characteristics, passing off the constituent components of capitalist societies of the laissez-faire era here as today’s essential traits of capitalism.

Having ascertained the qualitative differences between the capitalisms of the 19th and 20th centuries, we may attempt to answer the question: do they have something constituting some essential, invariable, constituent basis? It seems to me that they do. Two components would seem central, namely, commodity production and the civil society. However, most considerable qualitative changes have occurred in these two spheres also. As observed above, the market has become controlled, but the capitalist countries have managed to find some combination of regulation and free competition whereby it has been possible to avoid the two extremes in the evolution of Western societies of the laissez-faire era. On the one hand the spontaneity of production, the continued fragmentation of society and the intensification of the polarization of social forces—processes fraught with the possibility of the frontal clash of various interests and, as a result, the collapse of the entire system—might have developed further. On the other, as a result of the monopolization of all spheres of activity, these societies might have verged on a state of stagnation. The open, self-regulating and self-adjusting nature of the economic system was thereby preserved. The civil society itself has undergone colossal changes. There has been a considerable redistribution of forces and influence therein not without the assistance of the state. The omnipotence of one part of the civil society was shaken by the state’s alliance with the people’s masses. There has been a sharp increase in the role of the state as arbiter in the struggle between different components of the civil society. The sole thing that has remained unchanged and that is an essential characteristic of both the capitalism of the era of laissez-faire and present-day Western societies is the continued primacy of the civil society over the state, although the established correlation of forces between them has in the last 100 years and more frequently been put seriously to the test. The modern industrially developed societies in the West are capable of preserving their open nature as long as the state adjusts, but does not control, the activity of the civil society.

Our distorted vision of present-day capitalism was caused by a number of circumstances. Inasmuch as we failed to look at ourselves directly in the mirror and imagined ourselves in some resplendent light and falsified our own image, all the more were we unable to see others differently. However, it should be noted that in the distortion of the image of the West we did not go as far as in respect of our own society, and this is explained by the fact that we compared the West in our propaganda and scholarly works not with the actual socialism in which we lived but with the ideal which seemed to us a

priori far higher, better, more conflict-free and so forth. This afforded us some room for maneuver, although the quite clear patterns and limits of the permissible which had taken shape demanded that all new phenomena be explained from the viewpoint of the permanence of all the basic characteristics of the capitalism of the era of laissez-faire.

Naturally, this could not have failed to have affected our understanding of democracy, which for us, alas, was also reduced to a certain set of banal myths drummed into our people from day to day.

In connection with what was said above the "bourgeois democracy" concept, which we use to define the political system in the developed capitalist countries, seems to me perfectly absurd. This definition was perfectly justified in the last century, when the bourgeoisie, the main class of proprietors and the main educated class, unreservedly enjoyed the evolved political mechanism of power. But under conditions where broad strata of the population have become participants in the political process and when initially in Great Britain and the North European countries and then other Western states there have taken office as the result of elections parties of the working class, which have used the existing political mechanisms and institutions of power to implement social transformations in the interests of those whom they represent, it is hardly legitimate to call this political system catering for this continuity and free play of political forces bourgeois, that is, by the name of one class—the bourgeoisie—which occupies therein an important, but far from overwhelming or all-embracing position.

G. Diligenskiy. "Not overwhelming," "not all-embracing"—the other participants in the discussion evidently agree with this.

But is it correct in painting a realistic picture of the position of the bourgeoisie in the political system (in the majority of capitalist countries, in any event) to confine ourselves to the relatively vague term "important"? Should we not be seeking a more precise definition reflecting the fact of the political inequality of the bourgeoisie and the working classes? After all, in the civil society, which, according to Andranik Movsesovich, preserves primacy over the state, economic power, limited even to this extent or the other by organizations of the working people and their influence in the political system, nonetheless belongs to the bourgeoisie.

Besides, I believe that in speaking of the class nature of a state it is necessary to "separate" the state as a general concept and the democratic, political and legal institutions operating within it. After all, besides these democratic components, characteristic of the state also are extra-democratic components, so to speak, to which organs of executive authority and the machinery of state experiencing a bureaucratization process—the army, police, special services and so forth—pertain to this

extent or the other. The correlation between the two and the level of control of the first over the second are quite mobile and changeable and require special analysis.

The search for an answer to these questions will evidently require our discussion to switch to a somewhat different level. On the one hand we should develop and intensify the theoretical considerations pertaining to the basic problems of democracy and its historical development trends which have been expressed in very general form as yet. The more so in that these problems are of a global nature and directly affect the prospects of the democratization of our society. On the other, we should—within the limits of our possibilities, of course—investigate the practice of Western democratic institutions and their positive and negative experience.

(To be continued)

Footnote

1. See "Concise Philosophy Dictionary," Moscow, 1979, p 64.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Rethinking of Marxist Ideas on Large Capitalist Corporations Urged

18160004d Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYE OTNOSHENIYA in Russian
No 11, Nov 88 pp 19-34

[Article by Yuriy Bentsianovich Kochevkin, doctor of economic sciences, lead scientific associate of the USSR Academy of Sciences IMEMO: "The Major Corporation as a Subject of Study"]

[Text] The major corporation—the modern concern¹—represents so noticeable an object of the capitalist economy that its study at first sight does not confront scholars with complex theoretical tasks. A number of characteristics distinguishes this object in the multitude of firms and outlines its limits quite clearly. When people speak of a major corporation, they refer to large dimensions, the share-capital form of organization of ownership and also, as a rule, a transnational sphere of spread and diversified range.

But the apparent certainty does not cancel the need for theoretical analysis. To begin with the fact that all these are descriptive characteristics. Each of them individually could be disputed as an indispensable and, even more, determining attribute of the major corporation, not to mention the fact that such a characteristic as "large dimensions" is associated with a quantitative criterion, which is always conditional.

The descriptiveness and relative nature of the definition of a major corporation are associated with a more general question: is there altogether a need to distinguish such a concept as an object of scientific investigation? Should we not confine ourselves simply to a number of classifying characteristics in respect of the entire multitude of enterprises of present-day capitalist society? The more so in that such classifications exist and are widespread and we avail ourselves of them.

For example, it is customary to apportion firms to the superlarge (so-called mega-corporations) category and simply big, medium-sized and so-called small business. They are also grouped in accordance with form of ownership: government, mixed, private joint-stock companies (or so-called public companies), partner and family firms, cooperative and individual enterprises and so forth. Transnational and national, multisector, diversified and conglomerate firms are demarcated. The set of characteristics makes it possible in principle to distinguish among a multitude of firms a particular nucleus. But the logic of separation of this nucleus remains nebulous inasmuch as the question: what do we wish to find is not asked.

Corporation and Monopoly

Marxist studies of present-day capitalism contain a perfectly definite answer: the purpose is to distinguish the predominant sphere of the spread of large-scale "business" constituting the basis of the capitalist monopoly. Undoubtedly, such a search is justified both historically and logically. The 20th century monopoly is based on the growth of production concentration. The consolidation of engineering units, plants and production complexes is leading to changes in market structures and the emergence and intensification of monopolization. Growing out of the concentration of production, the monopoly endeavors (via a strategy of expansion) to consolidate itself in the concentration of capital.²

Study of particular aspects of a major corporation enables us to understand how this process has been accomplished. In the sphere of ownership the consolidated joint-stock company represents a more suitable springboard of monopolization than, for instance, forms of a cartel or trust or concerns of the old type. As distinct from these forms, the consolidation of ownership in a major corporation affords its management an opportunity to pursue a more consistent policy.

Together with the organization of ownership Marxist studies also point to such important features of the major corporation contributing to the accumulation and strengthening of monopoly positions as geographical (TNC) and sectoral (diversification) spread.³ For a number of decades the Marxist school in the study of large-scale forms of the organization of production and capital (the major corporation primarily) has regarded these forms as the reaction of capitalist firms to competition. The purpose of the strategy was seen to be the creation of

economic structures—in the field of ownership and organization of production and sphere of spread—capable of securing monopoly advantages and realizing monopoly profit.

But many questions still remained unanswered. From the viewpoint of monopoly domination the forms of a single sectoral organization are the most "efficient". They can create the most consummate monopoly price structure. History provides numerous examples of how a monopoly organization has encompassed a whole sector in individual countries and on regional markets, assuming the forms of sectoral cartel, trust and even, in a number of instances, a single corporation which has subordinated to itself the entire sector (in different historical periods U.S. Steel, IBM, AT&T and many others).

However, the main line of evolution of sectoral structures consists of the formation of an oligopoly or other structures producing very imperfect and approximate forms of monopoly domination and frequently exacerbating the competitive struggle even more. This type of evolution is usually explained by the fact that the sectoral structure in this case is determined by the conditions of technological development, which do not permit a single corporation to coordinate the production activity of the sector. These conditions ensue from the limitations imposed by the optimum dimensions of the production units (plants, factories and so forth).⁴

But in a number of fields the major corporation attains to giant proportions, extending activity to many sectors and territories. Technological factors of the optimum nature of the size of production units do not set limits to the corporations' growth and do not prevent them coordinating from a single center the most diverse types of activity. Why, however, in the sphere of sectoral organization, where monopoly advantages are most graphic and easily realized, has the coordination of activity from a single center proven inefficient, whereas in other spheres, where there were seemingly no grounds for this, the advantages precisely of the major corporation have been revealed?

There can be only one answer: an impediment to economic efficiency is built in, as it were, to monopoly organization, which causes the inevitable degradation of monopoly structures. In formulating this proposition your author by no means aspires to confine monopoly to the sectoral level. Of course, the manifestations of monopoly organization are particularly graphic here. But they possess the property of universality and are not confined merely to the framework of the sector. Such forms of organization of large-scale activity as vertical integration, diversification and transnationalization have specific outlets into monopoly structures, but this does not negate the general logic of monopoly: the creation in particular areas of advantages which make it

possible to regulate the amount of production and the price, quality and specifications of the manufactured product in the interest of the monopolist and for obtaining monopoly profit.

The enumerated manifestations of monopoly are not always easily discernible. For example, limitation of the volume of output and an increase in prices may coincide with a progressive technological change, and in this case they would be relative. Generally speaking, the dynamic manifestations of monopoly—and monopoly is more often than not realized precisely in dynamic development—are far more complex than the “statics” of domination. In development the “ingredients” of monopoly frequently live alongside elements of technical progress and growth. But although there is undoubtedly such proximity, as a “fact,” it is necessary in scientific analysis to clearly differentiate between factors working to the benefit of technical progress and efficiency and factors of monopolization. As the latter begin to predominate, they appear in the form of an impediment to efficiency and ultimately lead to the restoration (with greater or lesser losses for society) of the competitive mechanism.⁵

The dynamics of the interaction of factors of technical progress and monopoly may be verified in examples of the development of sectors of production and corporations. The economic history of the United States affords many examples: the start of the 20th century (U.S. Steel, Standard Oil, General Motors); middle of the century (Alcoa); end of the century (AT&T). The sectoral monopoly-corporations yielded positions to competitors by no means owing to defects of an internal nature or shortcomings of the technological and organizational structures but on account of the accumulation of monopoly deformation, which led to their weakening and the penetration of the markets of new competitors.

Well known is the “giantism syndrome” manifested in an endeavor to create inordinately large production complexes protected against an integrated systems market: in the direction of self-sufficiency in raw material, energy, transport, sales network and so forth. In cases where a policy of monopolization has coincided—in time—with the realization of significant reserves of economic efficiency, it has been successful. An indicative example is the Swift meat-processing empire in the 1920's-1940's.

But in many cases the aspiration to monopolization and giant-mania led to inefficiency, although the cancellation of inefficient decisions and plans proceeded smoothly far from always. The River Rouge giant production complex of the Ford Motor Company was a textbook example of an unsuccessful investment decision. An American author describes it as “an empire incorporating ore deposits, coalmines, 700,000 acres of forest land, sawmills, blast furnaces, glass plants, a fleet for shipment of the ore and coal and a railroad.”⁶

The delay in development and loss of dynamism connected with monopolization are compelling the question of the relationship between the corporation and the monopoly to be looked at anew. Usually Marxist literature interprets the question of the relationship between the corporation and the monopoly unequivocally—the growth of major corporations is tantamount to the increased monopolization of the capitalist economy. There was a kind of identification of large dimensions with monopoly. I believe that on this issue theoretical analysis moved in the wrong direction. We would recall that the most vulnerable in the long term were corporations which attempted to gain superiority within the framework of an individual sector. And, what is more, the failure of the sectoral direction of the concentration of production and the growth of output has been caused not only and not so much by technological or organizational obstacles. It was the danger of monopolization and the development holdups and losses of strategic perspective associated therewith which forced many major corporations to abandon attempts to create production and distribution systems “impenetrable” to competition and turn them in the direction of the diversification of production and transnationalization.

Of course, in a number of countries the actual development of sectoral structures has been greatly influenced by national singularities, specifically, antitrust legislation. But even in the United States, where antitrust legislation has the longest tradition, it did not impede the creation of sectoral monopolies between 1890 and 1910 and it was not it which was the cause of the majority of them in time yielding their positions. Even more indicative are the examples of a number of European countries, where legislation for a long time encouraged cartelization and had seemingly created opportunities for closer associations of the holding or trust type with subsequent conversion into monopoly corporations. Monopolization developed along this path in a number of European countries at one time. The example of Great Britain is typical in this respect.⁷

But under the threat of the high level of monopolization the corporations of European capitalist countries emphatically abandoned between 1950 and 1970 the strategy of sectoral expansion and switched to diversification and transnationalization.⁸ This was a change toward the creation of corporate systems considerably more open to competition. And it was on this path that successes were scored in the business of the growth of the efficiency of vast corporate complexes.

Of course, the change was not universal. Both in the latter half of the 20th century and recently a tendency toward monopolization in the most diverse forms shows through sometimes here, sometimes there in the development of major corporations and intercorporate associations.⁹

All that has been said about the difference between the strategy of the corporations and the trend toward monopolization makes it possible to formulate an

important proposition connected with the correlation of the growth of the corporations and the trend toward monopolization. The consolidation of the corporations may have both monopoly and antimonopoly consequences. Where this growth develops into a strategy of market domination and the suppression of competition, it is combined with monopoly. It is a different matter when open systems of production and distribution, the majority of whose (the systems') components is not protected against the market and competition, are created. Such growth leads to efficiency, not engendering secondary repercussions associated with monopoly deformations. The increase in the scale of the corporations and increased monopolization could proceed in parallel, but could diverge also. But the main thing is that these tendencies are not identical.

Such a formulation of the question would seem fruitful inasmuch as it opens the way to an analysis of the aspects of corporate activity which previously were in the background. And this applies primarily to questions of efficiency. No one, generally, disputes the productive aspects of the activity of a major corporation. Nonetheless, if the sections of literature concerning major corporations which are devoted to questions of efficiency are analyzed closely, it has to be noted that the main place in this analysis is occupied by questions of technology, technical progress and the organization of production.¹⁰ Considerably less attention is paid to problems of general management. And questions of ownership are practically untouched.

Is such a distribution legitimate? At first sight it is justified, although seeming somewhat one-sided, by the truly immense significance which is attached to technical progress and all aspects of technology and the organization of production for an increase in general economic efficiency. But the whole point is that neither technical progress nor progressive production organization are in general the particular privilege of the large-scale form of the organization of activity which the major corporation chiefly is. First, technological efficiency is closely connected with the optimum dimensions of production, and these optimum dimensions are, as attested by numerous "case studies," that is, an investigation of actual examples, considerably (many times over) inferior to the dimensions of the major corporations. Second, technical innovations, as numerous actual studies show once again, are quite evenly distributed over the entire "expanse" of capitalist firms, from the smallest to the largest. True, the same studies indicate that the biggest firms have certain advantages in the "circulation" of innovations, but neither are these advantages of a permanent nature. In any event, in a number of specialized markets there is a certain balance expressed in the fact that technical progress as a whole does not lead to the consolidation of firms but is accompanied rather by a growth of specialization.¹¹

Therefore if in the course of many decades a growth of both the number and the dimensions of major corporations (and in measurements pertaining to all the basic

characteristics, what is more) is observed, this can mean only one thing: the major corporations have reserves of efficiency going far beyond the limits of technology and the direct organization of the production process. The basic reserves of economic efficiency of the major corporation as such are to be found in the sphere of general management and in the sphere of the organization of ownership.

The Major Corporation and the Organization of Management

Questions of the organization of management and their connection with efficiency are not new in study of the major corporation. But from the viewpoint of the general approach to an interpretation of problems of efficiency there are many "blanks" here. Indeed, where is the boundary between organization at a firm and organization in a broader understanding: interfirm relations, national economic relations and so forth? Usually matters are reduced to the counterpoise of market and nonmarket (when it is a question of intrafirm and interfirm relations) and also the counterpoise of the government and "private business" (when the question concerns problems of government regulation of the economy). In respect of the corporation the theoretical question consists of the existence of certain minimum and maximum boundaries of dimensionality determined by a complex combination of centrifugal and centripetal forces influencing corporate organization. But studies do not, as a rule, go further than the ascertainment of the existence of such forces. In addition, many people proceed from the seemingly self-evident assumption that the boundaries of a corporation, just like the engineering facilities—plants, factories and so forth—are determined in accordance with regularities of a technological and production nature: economy of scale, diversity and so forth.¹² Examination of the said facts is important, but by no means sufficient for an understanding of the nature and boundaries of a modern concern.

Nor, owing to the specialization of the sciences, does organization theory pose in full the question of the nature of the major corporation. The existence of organization as some centralized mechanism of production management is the point of departure of research here. This explains the "organization" and "external environment" counterpoise. The sections of organization science closely connected with economic theory adopt a more cautious attitude toward the interpretation of this question. For this reason it is not fortuitous that the "internal organization" concept to denote organization management in the corporation emerged in economic theory. This definition concerns not so much the focus of corporate management—it is external to the same extent as internal—as the specifics of the tasks of corporate organization. There is a distinction here from, say, tasks of organization at the intercorporate or, generally, interfirm level inasmuch as the term "organization" itself is very broad and concerns the most diverse spheres of social activity.

Upon an evaluation of the significance of the organization of management (internal organization) in the formation and development of efficient corporate complexes a particular part is played by the historical approach. The constant growth of capitalist firms, which led to the formation of major corporations and their development in depth and in breadth, prompts a theoretical comprehension of this phenomenon. A significant part of the answer is given by an analysis of the historical evolution of organizational forms (changes of internal organization). It was internal organization which knew how to efficiently combine under the aegis of centralized management the most varied types of activity and the most diverse production-engineering facilities which, taken outside of organizational unity, demonstrate no technological continuity.

But where are the sources of the process? After all, the organizational evolution of the capitalist enterprise did not begin with its major corporation form. It was preceded by simpler organizational forms, which were engendered by, aside from technological, other factors also.

When, in the 1980's, many experts in the West, on a wave of revived interest in economic history, particularly the history of economic institutions, turned their gaze to the past, they noted that many of the conceptual definitions of this problem had been made by K. Marx. He substantiated the need for the team organization of certain operations in connection with the indivisibility of the labor assignment (joint labor), and the division of labor in the manufactory¹³ and the formation of the capitalist factory as the unity of a number of interconnected production processes with an aliquant number of production units at each stage.¹⁴

But much else could be added to these observations. It was Marx who linked the change of such organizational forms of the capitalist enterprise as simple joint labor, the manufactory and the factory with the growth of social labor productivity. In the structure of "Das Kapital" the section devoted to the historical change of the said forms is called "Production of Relative Surplus Value," that is, the question of saving social labor is examined specially. True, that historical segment of the development of capitalism did not permit movement beyond the organizational forms of the enterprise as, in the main—with certain very notable exceptions—a reflection of the technological imperative.

The Marxist tradition of the study of the economic institutions of capitalism was continued. It proved particularly fruitful in study of the evolution of forms of the capitalist enterprise. The works of F. Engels, K. Kautsky, R. Hilferding and N. Bukharin appeared at the end of the 19th-start of the 20th centuries. The most important factor of the capitalism of that time was the capitalist monopoly. Great attention was paid upon its analysis to a study of organizational aspects at the time of the creation of giant capitalist enterprises. F. Engels wrote

concerning the process of creation of single sectoral trusts: "The point was reached where in individual sectors, where permitted by the given level of development of production, the entire production of this sector of industry came to be concentrated in one major joint-stock company under a single management."¹⁵ In this extract the main (in the context) attention is paid to the goal—monopolization—but attention is paid simultaneously to the level of development of production as a necessary condition of the large-scale form of organization of the capitalist trust uniting within the framework of common ownership and under a single management a multitude of plants.

This question is interpreted even more distinctly by V.I. Lenin. He speaks as follows about planning and rational organization within the framework of a vertically integrated complex which has encompassed an entire national sector: "...When all phases of the sequential processing of material as far as the acquisition of a whole number of varieties of finished products are managed from a single center; when these products are distributed per a single plan among tens and hundreds of millions of consumers...; it then becomes obvious that we have before us the socialization of production..."¹⁶

Production and distribution per a **single plan**, about which V.I. Lenin speaks, this means internal organization which was created by the evolution of the capitalist enterprise and which led to the formation of a major corporation.

If, on the other hand, we speak of the reasons why in Marxist theory the potential of the organizational efficiency of the capitalist corporation was for many years overshadowed, the reason for this is to be found, in my opinion, in the identification of the corporation and monopoly. This led to any growth in size being considered monopolyexpansion. True, many Marxist studies combined this with an analysis of monopoly organization and monopoly planning, in other words, economic efficiency was attributed to the monopoly itself.¹⁷ But this did not clarify the problem but merely intensified the intrinsic contradictoriness of the identification of the corporation and monopoly: the monopoly was interpreted simultaneously both as a curb on progress, that is, a most important factor of decay, and as a powerful factor of progress and technical improvement.¹⁸

The evolution of the organizational forms of the corporation in connection with the problem of efficiency was analyzed in detail for the first time on the basis of a vast amount of historical material by the American business historian A. Chandler.¹⁹ His contribution amounted to the consistent formulation of the problem seen through specific-historical material: how is the change in organizational forms associated with economic efficiency?

At the time when Chandler was completing his organizational study the problems of a major corporation as some particular instrument of efficiency had not been

specially distinguished in economic theory. It seemed clear that a firm grew for the purpose of realization of the economic efficiency of large scales of production. If growth extended over and above this task, it was conditioned by a race for monopoly advantages having little in common with economic efficiency. As far as organization theory was concerned, corporate organization was seen here as a simple continuation of plant organization, as the extension of the regularities of the scientific organization of labor to increasingly higher levels of management.

Meanwhile for Chandler, as a historian, it was clear that the imperative of a change of organizational forms, although associated with the general flow of technological changes, contained its own efficiency potential. In order to reveal it it was necessary to in some way classify the basic stages of this change. Chandler at that time counted four such stages (which he termed chapters of the history of a major corporation): 1) horizontal expansion—basically connected with the history of American sectoral trusts of the end of the 19th century; 2) vertical integration which embraced the first third of the 20th century and consisted of the formation of a common production and distribution flow from resource sources to sales enclosed in a corporate envelope with a functional-staff form of organization appropriate for such a solution; 3) diversification, that is, the corporation's multisector development with intermediate organizational solutions negotiating the functional structure of the organization; 4) formation of a multidivisional structure adequate to diversification.

Fifteen years later Chandler broadened the scope of the organizational forms which determined the formation of a major corporation as a particular economic institution of capitalism, including as the first stage the formation of the organizational structure of the American railroads in the middle of the last century—the creation of a complete and ramified linear-staff structure, which was subsequently repeated in many other sectors—and as the final, modern stage, the formation of conglomerate and transnational structures of organization.²⁰

Together with this classification Chandler obtained what constitutes the **distinguishing characteristics** of the capitalist corporation, namely, the emergence of new levels of management which previously did not exist in the capitalist firm and which are absent in a variety of amalgamations and associations of a less centralized nature: cartels, trusts, holding companies and concerns of the old type. These new levels—functional-staff management in vertically integrated complexes and a general board of directors above the autonomous productive departments in diversified complexes—undertake with the assistance of a large staff of professional managers the accomplishment of tasks which previously were tackled either by the market or—in formations more decentralized in terms of nature of ownership (the holding company may serve as an example here)—by individual employer-owners with the aid of a small staff of

personal advisers or individual managers. So the formation of a new levels of professional management and its hierarchy—this is what the major corporation brought to the world of organization of the capitalist economy.

To sum up the theoretical result of the historical research of A. Chandler, it amounts to the following: under the influence of technical progress and also changes in the level of income and the structure of consumption the opportunities for a growth of the extent of firms' activity expand. The new opportunities are realized both in strategy (formulation of new goals) and in structure (changes in organizational forms). If the structure lags behind the tasks of strategy, that is, if the expansion of firm activity and firms' invasion of new spheres and territory which is new for them are not accompanied by a rebuilding of the overall organizational structure, the firm pays in inefficiency. We would note that this result—inefficiency—is in this formulation independent of the quality and efficiency of the production engineering decisions.²¹

We cannot consider fortuitous the fact that when in the United States the transition from previous (basically functional) forms of organization to the multidivisional form had been accomplished (according to R. Rumelt, from 1950 through 1970 the proportion among the 500 biggest corporations reorganized in accordance with the multidivisional form principle grew from 20.3 to 75.9 percent²²), there was simultaneously a most vigorous growth in the dimensions of the superlarge corporations and their share of aggregate indicators of the economy. Transition to the multidivisional form revealed new potential of the efficiency of large-scale activity.

One further very important feature of A. Chandler's methodology stands out. The method of comparison of various organizational solutions essentially discrete and lacking points of quantitative contact and exchange is employed in his approach. This method is fundamentally different from that of optimization employed at the time of the rating of the production function in orthodox microeconomic analysis (specifically, in neoclassical firm theory). It is this methodological principle—the comparative-institutional approach—which explains Chandler's critical attitude toward neoclassical theory, in any event, toward the sections thereof which concern economic problems of large-scale organization.

The importance of a comparative approach employing a fundamentally different methodology when analyzing economic problems of organization and the economic institutions of capitalism was first pointed out by (R. Kouz) and (G.) Simon. This question was studied particularly thoroughly in the works of O. Williamson.²³ A new approach in scholarship is connected with the need for a new vision, which frequently requires a return to seemingly hopelessly outdated and well-known sections of economic thought. The difficulty of the establishment of that which is new is also connected with struggle

against evolved cliches of thinking. It took almost half a century for the (Kouz)-Chandler-Simon-Williamson ideas to gain relatively broad recognition in the West.

In connection with the description of the said theoretical tradition contained in the new—comparative—approach to an analysis of economic institutions mention should be made of the current stage in the development of this tradition and so-called transaction economics. Transaction economics employs as the elementary unit of analysis the act of economic—as distinct from technological—transfer from the final point of one production engineering process to the point of departure of another. Such transfers—transactions—may be organized variously, with a large degree of freedom. How they are actually organized, in a given society, constitutes the institutional fabric of the economy. Transaction as an element of analysis possesses the particular feature of throwing light on relations between people from an aspect little studied by economists. These are contractual relations connected with the conclusion of a contract and its fulfillment. At the same time the transaction is a more “fractional” unit of analysis than, for instance, the trade deal. Indeed, the transaction examines both intra- and interfirm transfers. In other words, transfers with a change of proprietor and without a change of proprietor are examined in their totality. Taking as a basis an analysis of a more profound level of the organization of economic relations than market economy theory, for which the elementary unit of study is the act of market exchange, transaction economics lays claim to greater analyticity. The present-day theorist of this approach, O. Williamson, calls it microanalytical (as distinct from microeconomic, on the basis of which firm and market relations theory is constructed).²⁴

What is the need for the appearance of transaction economics as distinct from the traditional economics of production and economics of circulation? The fact that it becomes possible to examine aspects of the efficiency of firms and the economic systems as a whole which previously did not come within traditional economics' field of vision. Specifically, the efficiency of large-scale organization in the collection and use of information, the preparation and realization of important S&T projects, the solution of labor conflicts and so on and so forth. All these types of efficiency are of a transaction (contract, agreement) nature. The most fundamental factor which led to the need for the separation of the transaction aspect of economic organization is the uncertainty of the ends and means encountered by any economic system and its agents. Were it not for this uncertainty—as an ineradicable feature—it would very likely be possible at some stage to organize the economy as a single national economic complex. But the uncertainty and entirely real costs connected with the need to overcome it compel a search for alternative ways of centralization, decentralization, market solutions, lengthy contract agreements and so forth as an answer to the imperative of economic efficiency. It was study of this alternative aspect in the

plane of the possibility of the most diverse organizational and contact solutions which summoned into being transaction economics.

The Major Corporation and Ownership

The organization of ownership in a major corporation as a factor of economic efficiency has been studied extremely inadequately. Only since 1970 under the influence of property rights theory has there been increased attention to this aspect of the functioning of corporations. Literature devoted to this subject has grown rapidly. The attributes of joint-stock enterprises and joint-stock ownership are being studied from this angle also.

The word “corporation” has been borrowed from the economic practice of the United States. It denotes a company with limited liability. This legal status means that, given bankruptcy or breakup, claims against the company are not made against the property of its formal owners. So that both the state-run enterprise and the cooperative could be a corporation in this legal sense. But the term “corporation” is employed mainly in respect of joint-stock companies. But there also the theoretical and practical filling of this term is highly distinct.

The sphere of the spread of joint-stock companies at the present time is extraordinarily great. There are approximately 3 million of them in the United States alone. In other developed capitalist countries their number also is measured in hundreds of thousands. But the major corporation, which we are highlighting here as a theoretical category, is not simply a joint-stock company but firms with a particular evolved organizational structure and scale of activity connected with this structure.

It transpires that joint-stock ownership, having taken shape, becomes the common attribute of a huge number of firms and by virtue of this community has no special impact on the major corporations.²⁵ In fact, this is not the case: as the size of the firms grows, joint-stock ownership undergoes an evolution. The modification is closely connected with certain internal processes in the corporation. There is a growth in the number of shareholders, and the firm is registered on the stock exchange and gains an outlet first onto the national and then onto the international capital market. The connection of the joint-stock company with the credit system and along other lines: long-term loans and bonds and such is strengthened.

The capital market acts as the regulator of the relations of the mass shareholder with his corporations. A fall in the share price is an unpleasant fact for the corporation. But even more unpleasant is the threat connected with the fall in the price of takeover, that is, absorption by another corporation, and a change of management.

Share capital under these circumstances acts as a powerful and effective tool of ownership. The role of stock in the movement of control from some groups of proprietors to others, which has been demonstrated so convincingly in the past decade in practically all countries in which a developed capital market has taken shape, serves as the best repudiation of theories of the withering away of ownership and shows that joint-stock ownership also has its mechanism for monitoring and protecting its rights. It is significant that it is stock which among the numerous types of securities and credit documents performs an exclusive part in the functioning of the rights of ownership. This fact enables us to assert that the role of stock as a document of joint ownership and control is far superior to its role as an instrument of financing.

But how are these mechanics related to the productive aspects of the functioning of the rights of ownership? Theoretically this question is extremely complex, but without a definite answer to it or if only the direction in which this answer should be sought the description of the modern concern is incomplete.

Transaction economics theory provides, it seems to me, certain fruitful approaches to an examination of this question. We would note that from the viewpoint of the transaction approach each act in the economy may be broken down into elementary transfers. And this applies, what is more, to all types of "transfers": material benefits, services, money, credit documents, titles of ownership and so forth.

But however we break down the process of production and circulation, each transaction requires confirmation and acceptance. In the familiar figure of the circulation of a commodity this is the act of monetary payment. In credit relations, a credit receipt. In labor relations, an agreement stipulating the timescale and amount of remuneration. Let us now turn to the major corporation in respect of ownership relations. What is the nature of the transaction here? Some person or institution acquires stock at the exchange. If this is a new issue, a sum of money is transferred to the corporation. What is the acceptance of this transfer? The stock itself. But this is merely the starting point of the process. Stock may under the conditions of a developed capital market "fight" for its rights. But for the ordinary shareholder these safeguards are extremely inadequate. The probability for each individual shareholder of his being helped in the event of nonfulfillment of his expectations and in the event of abuses on the part of the controlling nucleus of the corporation by "financial arbitrators" who will force the corporation to fulfill its obligations or redeem the stock at a satisfactory price—such a probability is extremely slight. In this respect the position of the individual shareholder differs from that of "all shareholders". The shareholder has given the corporation his assets. In accordance with the specifics of this document—the stock—he does not have the right to address it to the corporation—the stock is not redeemable. In addition, the shareholder may only receive income on

the stock (the main variety of stock—ordinary shares—is examined here) after the corporation has made payments in respect of all its current liabilities, that is, from net profit, but if there is no profit, nor is there, accordingly, any dividend (as distinct from interest, which constitutes part of current liabilities). In the event of the bankruptcy of the corporation, the shareholder may obtain his share only last of all. Once again it cannot be ruled out that he will receive nothing.

Let us take a look at the transaction from the corporation's side. Why it in fact needs the shareholder's resources. Inasmuch, evidently, as the resources obtained from the distribution of stock are in fact nonreturnable and do not require the rapid payment of dividends, that is, may be invested in the most long-term and slowly recoupable assets. In addition, these are not simply long-term assets but such as in the modern transaction approach bear the names sunken, indivisible and specific.²⁶ If the "business" is big and connected with substantial original investments in specific assets, it is difficult for the founders to find loan capital which readily turns to such a field. They have to apply to the share-capital market. But when the business has been organized, on the other hand, sufficient potential for self-financing emerges, as a rule. What under these conditions happens with the amounts of stock issued earlier? This is a very serious question. There could arise in the ruling coalition a temptation to "forget" the rights of the general shareholder or, at least, disregard them. It would be naive to suppose that all these possibilities are not considered when a corporation is being established.

If we return once again to the starting point, the purchase of shares, it must have certain additional guarantees for the shareholder, otherwise the said transaction would be impossible. It is not difficult to guess that the shareholder demands the formation of some committee endowed with the right to appoint and dismiss the management of the corporation and regularly review its activity. The formation of such a committee as an institution permitting the transfer to the corporation of money for meaningless "co-ownership" must, of course, be the prerogative of the shareholders. In this respect the management is in the position of "hostage": having obtained for the stock issue money for long-term investments, which will be repaid (if at all) it is not known when, management "pledges" its positions to the shareholders as a kind of **certificate of trust** that it treats with full seriousness its duty to manage profitably.²⁷

Having called this committee a "board of directors," we obtain a structure of the management of a major corporation consisting of a board of directors (the supreme controlling and managing body) and a professional management (the executive body). The actual relations between these two "hypostases" of the corporation are highly complex and contradictory, but the logic of their formation is obvious. The organizational development of the corporation predetermined the formation of a managerial hierarchy. The development of ownership

relations in the corporation and the guarantee of their reproduction given the shareholder's special position in the system of these relations—all this predetermined the appearance and development of the "board of directors" institution. It is this combination which makes it possible to realize the internal efficiency potential of the corporation, where technology, organization, management and the system of ownership relations (with the special position of the shareholder as proprietor) are in close mutual dependence.

The role of the board of directors as the plenipotentiary representative of and spokesman for the interests of joint-stock ownership is disputed by many authors from both actual and ideological considerations. The actual argument here concerns primarily the question of the significance of the national distinctiveness of the organization of management and authority in present-day corporations. There are several types of organization of the supreme component of management of a corporation, among which the main ones are Anglo-Saxon (adopted in the United States also), Central European (the FRG, Austria and elsewhere) and Italo-French.²⁸ The Japanese corporate system is distinct.²⁹ The main differences of these types concern the position which is occupied in the central controlling and managing body of the corporation (whatever it is called) by such groups as professional management, representatives of the shareholders (both individuals and legal entities), representatives of interested groups (primarily the unions) and representatives of financial intermediaries (the banks).

But although the real configuration of power in national types of corporations has very different outlines, an underlying principle invariably shows through this diversity: the shareholders have preferential access to the levers of power and control both from the economic aspect (the capital market) and from the legal aspect (elections of the board of directors by voting shares).

The ideological arguments concerning the place of the board of directors in the structure of the modern corporation are no less acute. The social-reformist tradition is inclined to regard the board of directors as a collegial body exercising a kind of social consensus. As the political positions of the working class strengthen, the contemporary social reformers believe, power on the board of directors should pass to the trade unions or enterprise work councils (also trade unions, only organized on a corporate, and not professional-sectoral, basis). The system of worker self-management in Yugoslavia is cited as an example.

Another facet of the same ideological arguments is the conversion of the boards of directors into distinctive "pressure group" (workers and employees, suppliers, consumers, the local community, the state) compendiums. The notion of such development loses sight of the nature of power: the board of directors may become a showcase, but real power does not disappear at all, it merely escapes into informal structures.³⁰ This happens

in cases where the legislation of a number of capitalist countries reforms corporate structures without concerning itself with the actual guarantee of such reforms.

Yet the problem is that the board of directors emerged as an institution representing the interests of joint-stock ownership, not accidentally. Indeed, all the other property claims connected with the corporation are defended differently. This is a special question, which is not examined here, but it may be answered in the most general form also: the claims of all other persons with an interest in the corporation are determined *ex ante*, whereas the claims of the shareholders exist *ex post*, that is, *per a residue* not stipulated in advance (which could not be stipulated, we would add). The special position of the board of directors is the result of the joint-stock form of the enterprise, and it may be eliminated only together with the joint-stock form. In other words, the boards of directors may be democratized as ownership relations change, but not apart from these relations.

Under the conditions of present-day capitalism, when considerable amounts of stock are concentrated in the hands of the wealthiest businessmen and their successors and when their interests are represented by the leading financial institutions, the economic and legal organization of corporate ownership is geared to a capitalist result. But it is not difficult to see that the very principle of the organization of joint-stock ownership and joint-stock enterprise is by no means identical to capitalism. The institutionalization of joint-stock ownership and the increasingly vigorous invasion thereof of institutions representing the interests of tens of millions of small shareholders and savers—all this testifies to the real opportunities for the conversion of the capitalist corporation on a new basis, opportunities which previously were not taken into consideration by Marxist theory. But this is a special subject, which merits special and detailed study.

This article has examined questions of the organization of management and ownership in the modern capitalist corporation. An attempt has hereby been made to broaden our ideas concerning the capitalist corporation as an instrument of efficiency. Of course, only the most general outlines of the new approach have been charted. But the significance of any additional knowledge concerning the corporation simply cannot be belittled. This knowledge is directly related both to an understanding of contemporary Western society and our own problems connected with perestroika.

The most erroneous path of the development of our research would be to confine ourselves to some limited circle of works of Soviet economists. Study of the corporation insistently demands an interdisciplinary approach. It lies at the intersection of the economic, legal and organizational sciences.

These questions will not be resolved simply. Neither ideological omnivorousness nor ideological sectarianism are acceptable. More active scientific intercourse and a mutual exchange of ideas are essential. However, the paths of such intercourse are complex and require of social scientists great personal responsibility. For example, contacts between Marxists and representatives of neoclassical theory are seemingly the most complex. Indeed, the ideology of neoclassical theory is connected with the canonization of the capitalism of the 19th century, whereas the ideology of Marxism is geared to the revolutionary break with capitalism. But even this ideological polarity does not preclude scientific intercourse in the sphere of general theory of the market economy, where neoclassical theory has made a fundamental contribution.

Even greater prospects of scientific intercourse are afforded by the new institutional economics—a school which has in the past decade occupied prominent positions in study of the economic mechanism of present-day capitalism (monetarism and rational expectations theory predominate in study of problems of macroeconomic regulation). The new institutional economics is an interdisciplinary school which arose at the intersection of organization theory, property rights theory and informational approaches to the economic process. The inclusion of economic history as an organic part of this school has brought about the genuine interest of many of its representatives in Marxism. This interest is of a creative, and not canonizing nature. I believe that contacts with this range of ideas and with this range of scholars in the plane of formulation of our own theory of the economic mechanism could prove exceedingly fruitful.

What does the experience of the capitalist corporation signify for the socialist economy? The vast continent of our state industry awaits perestroika. Great attention is now being paid to the ways thereof. It is geared chiefly to technological and organizational problems. Organization is being seen here in the aspect of realization of technological potential. Very little attention is being paid to the special aspects of general management seen as a component of the entire economic mechanism. Whereas "managers" are examining efficient organizational structures of major economic complexes, theoreticians of the economic mechanism are posing the question of decentralization and even of deconcentration in the perspective of a stimulation of commodity-money relations. There is not enough of a **general** approach, particularly a comparative analysis of different solutions: centralization of resources in large-scale intersectoral complexes, market decentralization using specialization potential, contract agreements between legally independent industrial enterprises.

The organization of ownership in the future model of the large-scale socialist enterprise has been studied even less. Problems of the unleashing of socialist enterprise and also the more organic association of the interests of the workforce with the results of the economic activity of the

enterprise and association are still not being tackled quickly enough. An important role here may be performed by assimilation of the lessons of the joint-stock organization of ownership in a major corporation. The joint-stock form of the socialist enterprise is a pertinent, urgent question. It knocks at the door particularly when enterprises at the intersections of sectors and departments are being organized. It is no less topical in intercountry joint venture projects, where it is being decided on the basis of the "trial and error" method. Economic science is under an obligation to have its say here.

And last, but not least. Everyone understands the role of stimulation of competition and limitation of monopoly manifestations on the part of large-scale associations, particularly on the part of departments.

To the extent to which enterprises are released from departmental tutelage they will inevitably find themselves more dependent on the policy of the contracting party—another enterprise. Considerable costs connected with the monopoly position of the contracting party are possible here. But any monopoly position of an individual enterprise and association is less strong than that of a **department**. The administrative system of interactions differs from the market system, within whose framework the traditional monopoly takes shape. For example, only within the framework of the administrative system may a sector be regulated as a single **unprofitable** enterprise. No cartel would agree to this. In addition, the experience of study of the capitalist corporation persuades us that it is essential to separate the monopoly aspect from efficiency. The potential of an enterprise's profitability connected with technical progress and efficient decisions must not be artificially limited. The criteria of monopoly deformation of the economic mechanism require precise definition. Otherwise we are threatened by the danger of throwing out with the bathwater of "excessive" income the baby of efficiency.

Footnotes

1. Soviet literature devoted to an analysis of large-scale capitalist associations employs the summary term "concern". It corresponds approximately to what in this article is called the major corporation. However, it should be made clear that as a theoretical concept the term "concern" has a history of its own. This initially was what the German associations of the first third of the 20th century with the incomplete consolidation of ownership among the joint-stock companies which were a part of the concern (AEG and others) were called. Such associations, which are prevalent at the present time also, may be called a concern of the old type. The major corporations are considerably more consolidated in respect of ownership.

2. In the period 1950-1970, when the growth rate of the U.S. GNP was highest, the 200 biggest industrial corporations' share of the total assets of manufacturing industry grew from 47.7 to 60.4 percent (see "Statistical Abstract of the United States, 1976," p 520). This indicator had practically stabilized at this level in the period 1970-1985, although the growth of the absolute dimensions of the biggest corporations continued. A partial idea of the dimensions of major corporations of the capitalist world is provided by figures adduced by A. Chandler: there were in the capitalist world in 1973 some 401 industrial corporations employing 20,000 and more workers and employees. They were distributed by national affiliation as follows: 211 in the United States, 50 in Great Britain, 29 in the FRG, 28 in Japan, 24 in France and 59 in other countries (see "Development of Managerial Enterprise," Tokyo, 1986, p 41).

3. See A.Z. Astanovich, "U.S. International Corporations: Development Trends and Contradictions," Moscow, 1978; G.V. Polunina, "Diversified Concerns in the System of Modern Capitalism," Moscow, 1980; S.V. Cheprakov, "Monopoly Associations in U.S. Industry," Moscow, 1984.

4. An analysis of the connection between the optimum dimensions of production and the particular features of market structures is characteristic of "industrial organization" theory. It was initiated in the monograph of J.S. Bain, "Barriers to New Competition," Cambridge (Mass.), 1956.

5. Where this is impossible owing to a "technical" monopoly or "natural" monopoly, the state, implementing nationalization or regulation of the corresponding monopoly firm (municipal public utilities or a national gas-supply system, for example), comes on the scene.

6. See O.E. Williamson, "The Economic Institutions of Capitalism," New York, 1985, p 119.

7. The British economist L. Hanna writes that sectoral holdings in tobacco, textile, metallurgical and metal-working industry were widespread in the period between the wars (1919-1939) and that they blocked the creation of more consolidated managerial structures (see "Managerial Hierarchies," edited by A.D. Chandler and H. Daems, Cambridge [Mass.], 1980, p 56).

8. See D.F. Channon, "The Strategy and Structure of British Enterprise," London, 1973, D.P. Dyas, H.T. Thanheister, "The Emerging European Enterprise," London, 1976.

9. "Contestable markets" theory, which has become greatly developed and prevalent, is devoted to study of these forms.

It analyzes factors of monopolization which have hitherto little been in economists' field of vision. These are primarily the concentration (accumulation) of "specific

assets". Specific assets is a multifaceted concept, in short, what in the event of liquidation of a business it is very difficult both to sell and reorient in another direction (a firm's highly specialized equipment or outlays on the training of narrow-profile specialists, for example). A long-term monopoly in the interpretation of this theory is impossible without the significant role of specific assets. They are a most important limiter of the freedom of the transfer of capital. Accordingly, the "competition-monopoly" axis moves in the direction of the conditions of entry into and exit from the sector. The creation of conditions complicating entry and exit based on specific assets is seen in "contestable markets" theory as the most important aspect of monopoly (see THE QUARTERLY JOURNAL OF ECONOMICS, August 1981, pp 405-431).

10. Both are seen as a manifestation of intrafirm plan conformity counterposed to market anarchy. Such strict counterpoise is unacceptable inasmuch as it fails to take into consideration the efficient aspects of the market process and, on the contrary, exaggerates the "absolute" efficiency of the intrafirm process.

11. THE WALL STREET JOURNAL writes about one small metallurgical company: "Carpenter Technologies, for example, sells steel alloys, from which valves and other automobile and aircraft engine parts withstanding temperatures at which conventional steel melts are made. Carpenter sells its products by the pound, and not by the ton, manufacturing approximately 450 various types of stainless steel and steel alloys. Some of these varieties are so narrowly specialized that Carpenter encounters in fact no more than three competitors on the home market, and in a number of instances there are no competitors at all—compared with the multitude of companies competing in the supply of standard grades of metal" (THE WALL STREET JOURNAL, 24 January 1985).

12. The economical nature of diversity is best illustrated by the agrarian sector. The efficient family farm, which combines farming with animal husbandry or horticulture with apiculture, is an elementary example of such a kind.

13. See O.E. Williamson, Op. cit., pp 88, 232.

14. See "Economics as a Process," edited by R.N. Langlois, Cambridge (Mass.), 1986, pp 207-210.

15. K. Marx and F. Engels, "Works," vol 25, pt I, p 481.

16. V.I. Lenin, "Complete Works," vol 27, p 425.

17. A serious study of this question observes: "With the appearance of monopoly associations the centralized management of the tens and sometimes hundreds of enterprises which are a part of one and the same association becomes an objective necessity" ("The Political Economy of Modern Monopoly Capitalism," vol 1,

Moscow, 1975, p 141). Plan conformity is thereby ascribed to the monopoly. In addition, any interfirm cooperation is seen as a manifestation of monopolization. "Instances of cooperation, the creation of common enterprises and joint research manifest increased monopolization for the concerns thus reduce risk and remove potential competitors" (ibid., p 154).

18. An example of such a "dialectical approach": "...Under the new conditions competition becomes a most important tool of the consolidation of monopoly domination" ("Political Economy". Teaching Aid, Moscow, 1988, p 146).

19. See A.D. Chandler, "Strategy and Structure," Cambridge (Mass.), 1962.

20. See A.D. Chandler, "The Visible Hand: the Managerial Revolution in American Business," Cambridge (Mass.), 1977.

21. The neoclassical approach on this question simply skirts the problem of the large-scale organization, counterposing the "absolute good" of competition to the "absolute evil" of monopoly (See Yu.B. Kochevrin, "Evolution of Managerism," Moscow, 1985, pp 182-213).

22. See R. Rumelt, "Strategy, Structure and Economic Performance," Boston, 1974, p 65.

23. The new approach is connected with "a comparative institutional assessment of various institutions—among which classical market forward contracting is put at one pole; centralized hierarchical organization at the other; mixed varieties of firm and market organization in the space between" (O.E. Williamson, Op. cit., p 42).

24. See ibid., pp 15-22. Traditional economics regards the subdivision of economic organization into firms and markets as a given determined outside of the economic system, mainly by technology and the scarcity of resources (the production function). Transaction economics, on the other hand, regards the mobile boundary between intra- and interfirm organization (and also intermediate transfers) as a function deriving from the efficient mode of organization of the transactions.

25. Examination of the general questions of joint-stock ownership and the joint-stock enterprise, granted all their importance and urgency, goes beyond the framework of this article (see Yu.B. Kochevrin, Op. cit., pp 8-40).

26. Specific and nonspecific assets is a division characteristic of both the transaction approach and "contestable markets" theory.

27. In this paragraph the exposition follows O. Williamson's hypothetical example (see O.E. Williamson, Op. cit., pp 323-324).

28. See "Networks of Corporate Power," edited by F.N. Stokman, R. Ziegler, J. Scott, Oxford, 1985, pp 17-18.

29. See H. Okumura, "Corporate Capitalism in Japan," Moscow, 1986, pp 80-99.

30. See Yu.B. Kochevrin, Op. cit., pp 126-134.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

General Kirshin Stresses Nonmilitary Aspects of Security

18160004e Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian pp 35-45 pp 35-45

[Article by Maj Gen Yuriy Yakovlevich Kirshin, doctor of philosophical sciences, deputy chief of the USSR Defense Ministry Military History Institute: "Policy and Military Strategy in the Nuclear Age"]

[Text] The question of the correlation of policy in general with its aspect oriented toward the waging of wars and questions of security and military strategy—the theory and practice of preparation of the country and the armed forces for war and the planning and organization of strategic operations and war as a whole—has throughout the time of the class-based society been at the center of the attention of politicians, military leaders, philosophers, historians and military theoreticians. And this is natural since the course and outcome of wars, the political map of the planet and the fate of states and coalitions have largely depended on how it was decided.

In the nuclear age interest in this problem has grown even more and become appreciably more intense. The threat of the destruction of civilization and the exacerbation of global problems are leading to revolutionary and evolutionary changes in the policy of states, parties and social movements. Economic and sociopolitical processes and the appearance of nuclear weapons and other means of mass destruction and also modern conventional weapons have modified the military strategy of the socialist, capitalist and developing states. And this has led to fundamental changes and fundamentally new trends, which, together with the action of common regularities, are characterized by asynchronism and specifics conditioned by the type of state and its affiliation to this socioeconomic formation or the other.

Granted all the complexity and, at times, contradictoriness of the relationship of policy and military strategy, the determining role belongs to policy. The latter exerts the decisive influence on all components of military strategy, which ensues from the class content of policy and the political nature of war. Military strategy is a means of policy, which is subordinate to it and serves it. Policy directs the development of military strategy and sets it assignments. The political leadership provides

military strategy with the forces and resources for waging war and creates for it favorable foreign policy conditions. Therefore if policy influences strategy negatively, it is not the determining influence of policy but policy itself which should be blamed for this since an explanation of both skillful and bad strategy is to be found in its content and nature.

Policy's decisive role in respect of strategy was manifested particularly graphically in the signing between the USSR and the United States of the INF Treaty and the efforts pertaining to the elaboration of a joint draft treaty on the reduction in and limitation of strategic offensive arms.

At the same time military strategy, despite its subordinate role, influences, in turn, the content and nature and scale of policy. The degree of this influence depends on many economic, sociopolitical and military-technical factors.

Paradox of Strength

Nuclear strategy from the viewpoint of the classical purpose of military strategy has ceased to be a rational, constructive means of policy. It has lost its main property—the capacity for winning a war. Military strategy as a means of policy at the present and foreseeable level of S&T progress has reached its historical limit. In the past the political ends of war frequently exceeded the available possibilities of weapons and their quantity and quality and military strategy as a whole. Now, on the contrary, political ends cannot be realized by military means since the use of nuclear weapons would exceed the most global political ends. The possibilities of nuclear strategy have outgrown the most fantastic designs of presidents, premiers and military leaders.

There is one further fact testifying that nuclear strategy prevents the achievement of political ends and the winning of a war. The Chernobyl accident showed that the threat engendered by nuclear energy does not recognize national borders and front lines. Given the use of nuclear weapons, there would be a mortal danger both for one's own forces and for one's own population. Paradoxical, but a fact: one's own security cannot be guaranteed even given surprise aggression.

The world has become so uniform and close that a world nuclear war has become an anachronism. It has dialectically rejected itself as a means of achieving political ends. This is a fundamentally new phenomenon in the correlation of policy and military strategy.

The development of military technology has led to the point where even nonnuclear war on the territory of industrially developed countries cannot be an efficient means of policy. Take, for example, Europe, where approximately 200 nuclear power station units and a

large number of powerful chemical plants are located. For this reason even nonnuclear war on the continent would make it unsuitable for life.

Mistakes in policy have always been difficult to rectify even by its most outstanding representatives. "A mistake on the strategic map of the size of 1 centimeter," F. Engels wrote, "could develop on the battlefield into a million lives of soldiers and thousands of square kilometers of lost territory."¹ At the same time in the past political mistakes connected with the unleashing of wars could, for all that, be somehow rectified and the negative consequences reduced in the future by more prudent policy. In a nuclear war this would be impossible. The more powerful the weapons, the more dangerous and irreparable the miscalculations also.

At the present time mistakes of the political and strategic leadership could lead to the destruction of all of mankind. For this reason there is an immeasurable increase in the responsibility of policy in respect of the use of military strategy as a means of achieving its ends. **This is the novelty of the dialectic of policy and military strategy.** An increase in nuclear potential and the creation of new means of weapons of mass destruction have become politically and strategically meaningless.

At the present time we are observing directly a historical paradox: states' nuclear strategy has become politically impotent. Given the existence of nuclear strategy, the paradox of forces has become a universal phenomenon. Military power is insufficient for important victories in local wars also. Political results do not correspond to the power of military strategy. In the past the impotence of military power was experienced by individual states and, sometimes, coalitions. A new trend in the **"policy—military strategy" system is operating at the present time—the impotence of military power is being experienced by the capitalist world as a whole.**

What do rightwing-conservative circles associated with the military-industrial complex see as the way out of the nuclear deadlock? How to once again make military strategy—both nuclear and traditional, classical—an efficient means of policy?

As distinct from the model of a nuclear-free and nonviolent world advanced by the Warsaw Pact, the NATO political and strategic leadership adheres to the model of "armed nuclear peace," "nuclear deterrence" doctrine and modernization and retroarmament concepts. It hopes to find a way out of the current situation on the paths of a further buildup of strategic offensive nuclear forces, the elaboration of new types of nuclear munitions, the development of conventional means of warfare, the creation of the "low-intensity conflicts" concept and so forth. They (sic) are placing special hopes in the strategic use of space. The "star wars" program is an attempt to emerge from the "nuclear deadlock," convert military strategy into an efficient means of policy and find a way of fighting a victorious war. However, as this

program is implemented, there will be an increase not only in the likelihood of the outbreak of nuclear war but an increase in difficulties in the pursuit of the policy of peaceful coexistence, even if leadership is assumed by the most farsighted, sober-minded politicians.

As already said, a nonnuclear war in Europe would be disastrous for the continent and for the population of the capitalist and socialist countries. The new concepts aimed at fighting wars by conventional means and the transfer of technological rivalry to the sphere of nonnuclear arms are reckless also, therefore.

We are witnessing in general a crisis of war as a means of policy. After all, imperialism has with the aid of local wars not succeeded in restoring capitalism in a single socialist country and was unable to rescue the colonial system. Capitalism's "second wind" connected with relative internal, social stability and successes in S&T progress and the economy are by no means the result of policy's use of military strategy as its basic means.

In the not-too-distant past even in the capitalist countries, and in the socialist countries too sometimes, problems of policy and strategy were resolved by a small circle of people, and military-strategic thinking was basically the province of politicians and strategists. At the present time we are seeing the shoots and the birth of a **new trend**—the working masses and peace forces aspiring to influence the policy of aggressive circles are participating increasingly actively in questions of the relationship of policy and strategy. Levers, albeit inadequate as yet, but permitting a limitation of the possibilities of aggressive policy in the use of strategy in its own interests, are appearing to the people's masses and public opinion. The determining role of policy in relation to nuclear strategy in questions of the preservation and safeguarding of peace is possible on condition that the broadest strata of the population of all states participate in its formation and implementation and if the foreign policy sphere and international relations as a whole are democratized. "Public, people's diplomacy," M.S. Gorbachev writes, "the appeal directly to the peoples, is becoming a normal means of interstate communication."²

Under the conditions of glasnost and democratization in the Soviet Union new opportunities are emerging for the functioning of people's diplomacy. The interests of survival require the introduction to the formulation of our state's foreign and defense policy of the broadest circles of the Soviet public and the formation of a mechanism which would permit the adjustment of foreign and defense policy and the introduction thereto of alternative ideas and recommendations. The enlistment in the shaping of foreign policy and military policy issues of specialists and experts from research establishments, VUZ's, state and elective authorities and representatives of the Soviet Armed Forces would make it possible in a comparatively short time to eliminate the stagnant phenomena in the development of the theory and practice of

foreign policy and international relations and the teaching on war and peace, enhance the efficiency of foreign and defense policy and raise considerably their moral authority and confidence in them overseas.

Security Is Born in Dialogue

The threat of the destruction of civilization required recognition of the unity of mankind as a race and led to the formation of the concept of an integral, interrelated world. For this reason in the current situation the relationship of policy and military strategy must adequately reflect this new phenomenon.

In the current situation the system of the relationship of policy and strategy may no longer be exclusive and isolated, it must be inseparably connected with and ensue from the concept of an integral, interrelated world. The internationalization of social life requires and permits an increase not only in the degree and scale of manageability of processes but also of the relationship of the policy and strategy of contending countries.

The interests of survival have taken the problem of the connection of policy and strategy beyond the framework of individual states and alliances to the level of all mankind, which has reached the point where the interconnection and coordination of the policy and strategy of states of different types, those in conflict primarily, have become a historical inevitability. Problems of world, regional and interstate politics and nuclear strategy are bound in a tight knot. For this reason the interests of survival and the preservation of civilization require the linkage and coordination even of the policy and military strategy of some states with the policy and military strategy of others and the solution of problems not only on a national but also on a world scale, in the interconnection of states of the whole world. It is very important here to prevent the emergence of new nuclear powers. Soviet foreign policy and military doctrine are structured on the basis of the concept of an integral world.

There is a profound objective connection between the interaction of policy and strategy in individual states and the state of international relations on a world scale. On the one hand, never in the past did the situation in our world as a whole and world politics depend thus on the relationship of policy and strategy in individual states, on the other, never did the relationship of policy and strategy in individual states depend to such an extent on world politics. For this reason a new relationship has arisen: world politics—national policy and the military strategy of individual states, both nuclear and nonnuclear.

Countries of the world community are interdependent, and for this reason it is most expedient to tackle questions of the relationship of policy and strategy by way of a comparison of military doctrines, where the connection is expressed in the most concentrated form. It is

particularly important to link questions of the policy and strategy of the nuclear states, which it is most convenient to do by way of a comparison of the doctrines of the Warsaw Pact and NATO and the USSR and the United States for the purpose of imparting to them an exclusively defensive thrust.

When formulating military doctrines in the interests of both aggression and defense in the past, the contending states took account primarily of one another's economic and, particularly, military possibilities. This is what is done now also. However, in the interests of the survival of mankind this approach is now a narrow one. The nuclear age demands a comparison of military doctrines primarily for the purpose of preventing nuclear and conventional wars.

A comparison of military doctrines could lead to effective practical steps if it is comprehensive and if it covers both the political and military-technical aspect. The subject of dialogue could be sources of military danger and wars in the world and regionally; the essence and political content of modern wars and their sociopolitical nature; the military power of the state, the structure and organizational development of the armed forces, the instruction and training of the personnel, deployment of troops and naval forces and states' military presence; the military-strategic nature of possible wars and the methods of fighting them, the correlation of offensive and defensive operations and so forth.

The Warsaw Pact states have proposed to the NATO countries a comparison of military doctrines. However, their proposal has as yet to meet with due understanding. In our opinion, it is expedient in the current situation, using various forms, to stimulate this dialogue to an even greater extent not only at the level of political scientists, philosophers and retired generals but also at the state level. Productive meetings of the top military leaders of the USSR and the United States have already been held.

For the increased efficiency of the process of comparison of military doctrines it is essential that the appropriate procedure be formulated within the framework of military science.

However, a comparison of military doctrines does not signify the adoption in military organizational development of the strategic principles of the other party and symmetrical responses to the actions of the opposite sides. The Soviet Union, for example, has not accepted the "limited nuclear war" concept, which the United States has imposed. In the 1950's the Soviet Union did not begin to compete with the United States in the creation and development of strategic bomber aircraft, although the United States had many air bases on the perimeter of USSR territory, which afforded it great

strategic superiority. The Soviet Union found an asymmetrical approach—it began to develop ICBM's. At the present time, if the U.S. Administration embarks on the path of creation of the SDI, the response will be asymmetrical also.

The relationship of the "policy—military strategy" system at the world, regional and multistate levels by no means signifies that it may be taken to absurd lengths, as certain Western ideologists are doing in respect of regional conflicts. They see all local wars and armed conflicts through the prism of the interaction of policy and strategy between the USSR and the United States. The Soviet Union believes that regional conflicts must not be made an arena of the confrontation of the two systems and the leading states of these systems.

And, further. Certain local wars in particularly tense regions, where many contradictions of the era are intertwined, could grow into a world nuclear war. Conflicts in the developing countries are highly explosive, and their danger cannot be underestimated. Given the existence of acute conflicts, there can be neither stable regional nor world peace, even given a reduction and limitation of the arms of the USSR and the United States and the Warsaw Pact and NATO. For this reason constant attention to regional conflicts is essential—not only to those which exist but also to those regions where they might arise. The threat of nuclear war and commonsense demand a limitation of the political and strategic goals of the combatants in local wars.

The nuclear age dictates the need for the utmost deliberation when decisions concerning wars and armed conflicts are being made. The criterion of a decision on political questions in respect of local wars should be the survival of mankind. The interests of the salvation of civilization demand mastery of the art of behaving with restraint on the world scene and that one live in civilized manner. The policy adopted in Afghanistan of national reconciliation has shown the way to neutralize the conflict. The policy of national reconciliation is aimed at settlement of the situation concerning Afghanistan, an end to the civil war, the establishment peace throughout the country's territory and the formation of a coalition government.

Great attention is being paid in the Soviet Union to the formulation of political and strategic measures which could localize regional conflicts and prevent the growth of local wars into a world nuclear war. Our country is proposing to the great powers, many of which are involved to this extent or the other in regional conflicts, certain "rules of behavior". Specifically, renunciation of the use of the conflicts to strengthen one's military presence in countries and regions, a reduction in military positions overseas (reduction in the military presence outside of national borders, limitation of naval activity), renunciation of one-sided actions in conflict situations,

renunciation of the artificial linkage of conflict situations, a strengthening of the international-legal basis of nuclear nonproliferation and a reduction in supplies of weapons to the areas of conflict situations.

Nor can we remain silent about the following important fact. UN armed forces could perform an incomparably more effective role in the neutralization of local wars and conflicts and the prevention of their growth into a world war. Thus the Soviet Union has proposed the creation of a UN naval force for ensuring freedom of shipping in the Persian Gulf zone. A need for the precise definition of the place and role of the UN military mechanism in the settlement of regional conflicts and the methods of the use of armed forces in them and for the elaboration of the problem of the correlation and relationship of world politics and the policy of individual states and alliances with the nascent international military strategy arises. **This also is a new phenomenon in the relationship of policy and military strategy.**

From the Positions of Survival

In the not-too-distant past even states could provide for their security by way of an increase in the possibilities of military strategy. The traditional criteria of security were economic and military potentials, the use of weapons and deterrence. Certain countries were secure as a consequence of the fact that they were located on the other side of the ocean, far from militarily powerful states, and as a consequence of a struggle between strong states, to which the weak were at times of no concern. Small states frequently endeavored to strengthen their security by way of affiliation with military-political alliances.

At the present time these questions have to be resolved in a fundamentally different manner. The nature of nuclear weapons is such that one's security cannot be ensured outside of the international context, without regard for the security of other countries. Security has become indivisible, one-sided security is no longer possible, even if a state is on the "periphery" of the planet. The affiliation of militarily weak states to military-political blocs weakens their security, as a rule, and upsets strategic stability. An increase in the military power of one state inevitably leads to an increase in the military power of another, to an arms race and to a disturbance of strategic stability. This is a new phenomenon in both policy and military strategy. The political and strategic leadership must, if it wishes to ensure its country's security, think about international security and tackle questions of the interaction of policy and military strategy in an international dimension, within the framework of regional and world politics. Having formulated the fundamentals of an all-embracing system of international security and the principles of military-strategic balance and defensive sufficiency, at the 27th congress our party found a new approach to the correlation of policy and military strategy.

Absolute security for one side is possible only given the absolute security of the other. The interests of survival dictate that when deciding on problems of policy and strategy the United States and the USSR and NATO and the Warsaw Pact proceed from, first, nondisruption of military-strategic parity and, second, a constant reduction in the possibilities of strategy and the role of "purely" military factors. The nuclear situation demands that both parties provide for the security not only of themselves and their allies but also joint security. It is Soviet military doctrine which is spearheaded at ensuring not only national but also general security. Such a military doctrine is historically unprecedented.

Nuclear weapons have properties preventing a single state having a military strategy which provides for security and the most powerful defenses only by military-technical means. The tendency here is as follows: in conflict settlement the significance of policy is growing, and the role of military strategy is diminishing. **The security of a state cannot be ensured primarily without political means, and this is a manifestation of the primacy of policy in relation to military strategy.** Unfortunately, in the not-too-distant past we sometimes reduced the problem of safeguarding security merely to the military sphere and underestimated the relationship of disarmament and the clash of political interests of the USSR and the West in the "third world" and their involvement in local crises. Foreign policy activity was not always geared to the removal of the political causes of contradictions.

A further trend operates at the present time: policy and strategy and problems of international security are inseparably connected with global problems, with the global situation on the planet. Global problems—the elimination of poverty and disease, conquest of space, development of the riches of the sea bed and protection of the environment—cannot be tackled without a sharp reduction in the possibilities of military strategy and without a halt to the arms race and a limitation of the colossal military spending. On the other hand, the intensification of global problems could lead to an exacerbation of states' military-political contradictions, to local wars and ultimately to the unleashing of a world nuclear war.

Military strategy has always influenced policy. But in the nuclear age this influence has under the impact of military-technical factors increased to such an extent that the degree of relative independence of military strategy has increased by an order of magnitude and that there could be a narrowing of the sphere of political decisions, particularly in respect of the unleashing of war. Under current conditions military strategy, while always occupying a subordinate position, could to an ever increasing extent slip out of the control of policy. It might seem odd, but in the nuclear age war could begin even without the intervention of the political leadership. As a consequence of the particular features of nuclear weapons and the increase in the quantitative growth of nuclear arsenals the probability of their unsanctioned

use exists. This probability will increase even more if the SDI program is realized. After all, the "star wars" weapons will essentially themselves make the decisions on their use. In the past, in the prenuclear age, a world war could not erupt as a consequence of the unsanctioned use of weapons—at the present time it could. The threat of the accidental start of a nuclear war increases on account of the inadequacy of the control system and in connection with the lessening of control over nuclear weapons and the increase in the forward-based forces and weapons. The rate of development of military technology is so high that it is leaving the peoples, states and politicians increasingly less time to recognize the real danger and is reducing mankind's possibilities of halting the slide toward the nuclear abyss. Granted the growing degree of independence of strategy, it is nonetheless amenable to political pressure. Nonetheless, it is important that even more dependable political control be established over nuclear strategy in all countries. In this connection military strategy and the military-technical sciences are confronted with the task of preventing the unsanctioned use of nuclear weapons.

The independence of strategy could also be manifested in the fact that the accidental outbreak of nuclear war cannot be ruled out. The world situation could assume a nature whereby it was no longer dependent on politicians and was captive to chance.

Politicians and strategists do not rule out a war of the nuclear powers using conventional weapons. A situation could take shape in such a war where as a consequence of great human losses and losses of important territory the political and strategic leadership would not be in a position to halt the escalation of the armed conflict, and the war could become nuclear—strategy could slip from beneath the leadership and control of policy. There would be a nuclear cataclysm, which would as a whole be a continuation of policy, but directly, a continuation of military strategy.

The possibilities of nuclear strategy, economic expenditure on the creation of nuclear weapons and the duration of the timescale of their creation at times impose on policy a particular logic of action. The U.S. president, let us assume, has approved the creation of new nuclear weapon models. The entire cycle of their creation could take 4-8 years. A new president could in this time have occupied the White House, and under him the weapons which had been built would largely influence his policy even in the event of his being an opponent of them.

And, further. The increased degree of independence of military strategy has been reflected in the arms race and the modernization of weapons, which at certain stages of their dynamics slip from beneath the control of policy to a certain extent. In striving for military-strategic parity we did not always in the past make use of the possibilities of safeguarding the state's security by political means and, as a result, allowed ourselves to be pulled into an

arms race, which could not have failed to have been reflected in the country's socioeconomic development and its international position.

The General Mankind Factor in the Relationship of Policy and Strategy

In the nuclear age there has been an increase in the relationship of policy and military strategy in the role of the general mankind factor, which has essentially taken pride of place. An analysis of the relationship of policy and strategy may be undertaken only with regard to the dialectics of the general mankind and the class factor. **Primacy in questions of policy and strategy belongs henceforward to interests common to all mankind.**

Both social systems are incorporated to an ever increasing extent in processes of a world nature and scale. Mankind is recognizing increasingly clearly his unity and his common fate. Human activity is assuming a planetary nature, and the internationalization of world development is increasing.

The main task confronting mankind is the problem of survival and the salvation of civilization. For this reason the "policy—military strategy" problem cannot be tackled only from the standpoints of the policy of the contending states, from the standpoints of the ruling classes therein. The class interests of the USSR and the United States and the Warsaw Pact countries and NATO are diametrically opposite. However, the common goal—survival—is making itself felt with ever increasing certainty. In the current situation it should be a question not of the fate of individual classes and states but of the fate of mankind, the concept of an interdependent, integral world and recognition of the growing significance of problems common to all mankind. At the present time the oppressed classes, while struggling against the oppressors, cannot fail to make their interests and political programs commensurate with the problem of survival. If it is a question of war, then, however difficult this is in the social and psychological plane, it is necessary to rise above the interests of the class struggle in order to save civilization.

The concept of the priority of values common to all mankind makes it possible to have done with the severance from the rules of morality not only of policy but of military strategy also, make the basis of policy moral and ethical standards common to all mankind, build a stronger bridge between policy and morality and military strategy and morality and form a mechanism of the pressure of international morality on policy and military strategy. It is time, finally, to have done with the detachment of policy from the standards of morality common to all mankind. The difficult problem of preventing a world nuclear war cannot be tackled either outside of planetary thinking or outside of planetary action. Only mankind is capable of this historic task.

Socialism ensures the unity of policy and military strategy and their correspondence and coordination and also the harmonious combination of military strategy and arms control.

At the same time the foreign policy of the Soviet state is not free of mistakes either. M.S. Gorbachev writes in his book "Perestroika: New Thinking for Our Country and the World": I am far from idealizing each step of Soviet foreign policy in recent decades. There have been mistakes also."

Mistakes were made in policy and military strategy and also in their interconnection. We were unable to take full advantage of the smashing of fascist Germany to halt the political efforts of the organizers of the "cold war". We did not always respond to the provocative actions of imperialism with adequate efforts of military strategy. Use was not always made of the opportunities for safeguarding our security by political means, and we allowed ourselves to be dragged into an arms race.

Policy was confronted with tasks which did not correspond to our state's actual domestic and international possibilities. An absolute was made at times in foreign policy of its military means, particularly in policy pertaining to the developing countries, where we assumed the role of military guarantor of certain countries. Our military assistance helped them embark on the path of a socialist orientation or development, but subsequently we were unable to render the necessary economic assistance when they found themselves in a difficult position.

In the 1970's the Soviet Union scored big successes in foreign policy. The Helsinki process began to develop, the ABM Treaty was signed and so forth. The Vietnamese people were rendered great assistance in the struggle for their liberation. At the same time a lack of coordination between tasks of domestic and foreign policy was sometimes allowed to occur. In the 1970's the interests of the country's development required radical economic reform and the sociopolitical strengthening of the Soviet Union—the citadel of peace and socialism. We, however, sometimes pursued essentially trifling gains in the developing world. We sometimes forgot that socialism must prove its advantages by domestic successes in the political, social, economic and spiritual spheres, but in no event by military means. "Gratifying" others in the nuclear age threatens global dangers.

As a whole, despite the mistakes which were made, Soviet policy never betrayed its arterial direction—safeguarding peace and the peoples' security. Also in keeping with its peace-loving policy is one of its means—military strategy, whose theoretical and practical aspect is subordinated to the prevention of nuclear war. The Soviet Union has nuclear weapons, but our state's policy is aimed at no first use of nuclear weapons. The decision concerning no first use of nuclear weapons has been an indispensable and obligatory part of Soviet military strategy.

In the prenuclear era Soviet military doctrine was defensive in the political plane—the Soviet Union had no intention of being the first to start a war against anybody. However, the military-technical part of military doctrine and military strategy were offensive. The offensive was considered the main type of military operations.

After the political leadership of the Soviet Union had concluded that nuclear war could not be a rational means of policy, that it could have neither victors nor vanquished and that nuclear war would end in the destruction of civilization, the military-technical part of Soviet military doctrine and military strategy was given a strictly defensive nature. Soviet military strategy became nonoffensive and proceeds from the fact that an offensive in the nuclear age cannot be the main type of combat operations. The nonoffensive strategy is realized in strategic planning, in training and education and in the tightening of control measures aimed at precluding the unsanctioned use of nuclear weapons. The development of the Soviet Armed Forces in the current situation does not exceed the limits of essential defense sufficiency. The numerical composition of the army and navy, the amount of military equipment and the manpower acquisition system are subordinated merely to the interests of defense of the socialist fatherland and our allies.

The peaceable nature of the Soviet Union's policy and the unity and concord of policy and military strategy are attested by its proposals and practical measures in the sphere of arms limitation and reduction. Our country does not aspire to achieve military-strategic superiority to the United States, nor will it permit superiority to itself. In accordance with the peace-loving policy, the Soviet Armed Forces are a means of preventing the aggressive aspirations of imperialism. **Prevention of a world nuclear war is their principal function at the present time.**

Military-strategic parity between the USSR and the United States at this historical stage is undoubtedly a stabilizing political factor. Maintaining a balance of military forces at the lowest possible level would correspond to the interests of peace to the greatest extent. However, the arms race could lead to a situation where even military-strategic parity ceases to be a factor of strategic stabilization. The problem of preventing a world nuclear war cannot be tackled within the framework of commensuration of the military-strategic possibilities of the United States and the USSR. This is primarily a political task. And the primacy of policy over military strategy is manifested here also.

It should be borne in mind that, lowering the nuclear parity, a situation could be created where there is an increased likelihood of war with conventional weapons. For this reason it is essential to seek military balance at a lower level in conventional arms also.

Military-strategic parity is not the ultimate goal of the policy of the Soviet Union and the other socialist community countries; it is an important frontier and essential condition in the policy of creation of an all-embracing system of international security.

If the United States and other Western countries consent only to partial measures in the creation of an all-embracing system of international security and partial measures in the sphere of political and even military detente, the Soviet Armed Forces must, as before, at all stages of the formation of this system be ready to repulse aggression. In the military-political situation which is taking shape the increased combat readiness of the armed forces is a measured continuous process which must accompany all steps in arms reduction and limitation, even if the military-strategic confrontation exists at a comparatively low level.

Footnotes

1. F. Engels, "Selected Military Works," Moscow, 1976, p 216.

2. M.S. Gorbachev, "Perestroika: New Thinking for Our Country and the World," Moscow, 1988, p 164.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".

"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Third World Successes in Developing Exports Examined

18160004f Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA in Russian No 11, Nov 88 pp 46-61

[Article by Nikolay Aleksandrovich Karagodin, candidate of economic sciences, senior scientific associate of the USSR Academy of Sciences IMEMO: "The Developing Countries: Economic Policy of the State and World-Economic Relations"]

[Text] In the 1980's the emergent states have for the first time since the war encountered such a deterioration in foreign economic conditions that the question of a serious reconsideration of both a number of important directions of development strategy and ways of its realization has arisen in the majority of them. The present foreign economic difficulties of "third world" countries are explained primarily by the discrepancy between the structure and level of the efficiency of their economy and the rapidly changing demands of the world capitalist economy, which is in a process of restructuring based on the latest S&T achievements. The discrepancy which has arisen has been caused largely by objective difficulties of the surmounting of these countries' economic backwardness. At the same time it would be wrong to underestimate the impact of their own economic policy on their current position.

Considerable differences of the economic policy pursued by individual countries predetermined to a considerable extent the rapidly intensifying differentiation in the "third world". States and entire regions maintaining relative stability in the face of external "shocks" or strengthening their world-economic positions even against the background of the abrupt slowing of economic progress in the bulk of developing countries and their relative displacement from the international exchange of commodities and services are distinguished therein. Undeservedly little attention is paid in Soviet scholarly literature, in our view, to the factors connected with economic policy.

This article attempts to trace the relationship of the singularities of economic policy and the change in the positions of this developing country or the other in the world economy. Domestic factors influencing the formation of this policy are analyzed also.

Increase in Competitiveness of Exports—Command of the Times

The unpropitious foreign economic situation in which the majority of emergent states has found itself in the present decade has confronted them with exceeding seriousness with the task of a considerable increase in the competitiveness of exports and the diversification of their structure, given an orientation toward commodities in more stable demand, industrial products primarily.

The capacity for responding to the challenge of the world market is limited for the bulk of developing countries. An increase in the flexibility and efficiency of the economy is being hampered by a shortage of financial resources, technical experience and trained manpower, the narrowness of the home markets, the inadequate development of the infrastructure, the absence of cultural prerequisites for modern forms of management and much else. In a number of states (the least developed primarily) all these factors make the export of industrial products on some in any way significant scale unrealistic as yet. As far, on the other hand, as the middle and upper echelon of the emergent states is concerned, the backward export structure of many of them has been conditioned to a considerable extent by the particular features of the industrialization policy which has been pursued there.

In the post-colonial period a policy of substitution for industrial product imports of local production has been pursued practically everywhere in the "third world," and many countries have progressed quite far along this path. Industry supplying the local market has acquired diverse privileges, including protection against foreign competition, broad access to cheap government credit and so forth. Representing an essential initial stage of industrialization, import substitution has contributed to a considerable diversification of the economic structure of "third world" countries, self-sufficiency in many types of commodities, the formation of local worker and technical personnel and so forth.

At the same time the negative aspects of a one-sided orientation toward the home market have become increasingly apparent as industrialization has developed. In the majority of cases preferential conditions were granted without a serious evaluation by the state of the actual and potential viability of the newly created industries. As a result the limits of permissible inefficiency initially have been exceeded nearly always, and many enterprises have found themselves incapable of standing firmly on their own two feet even many years after they were established. A considerable part of manufacturing industry of "third world" countries is being kept afloat merely thanks to tariff and quantitative restrictions on competing imports, tax allowances, direct and indirect government subsidies and so forth. It is indicative, for example, that the spread of customs tariff rates on consumer goods (excluding basic foodstuffs and automobiles) constitutes 60-105 percent in India, 25-80 percent in Thailand, 25-135 percent in Kenya, 30-150 percent in Nigeria, 30-100 percent in Morocco and so forth.¹

The national economic returns from manufacturing industries in the developing countries are frequently very low. The product which they manufacture is usually more expensive and of lower quality than analogous imported products. In addition, in the majority of countries (small and medium-sized particularly) the local producers, raised under the hothouse conditions of protectionism guaranteeing them a particular level of profitability, have no interest in reducing production costs and concentrate their efforts mainly on preserving and increasing their privileges which they acquire.

Inefficient manufacturing industries are a heavy burden on the economy of the emergent states, swallowing up a significant (frequently the main) amount of budget and foreign currency resources. A considerable amount of these resources here is spent on considering the manufacture of the least socially meaningful products, specifically, luxury items.

In the course of industrialization the entire mechanism of regulation of the economy of the majority of "third world" countries has found itself to a considerable extent oriented toward the requirements of import-substituting industry. The interests of inefficient local producers largely explain, for example, the support of the official exchange rate of the national economy (expressed in foreign currencies) at a level which is in fact artificially high compared with its actual purchasing power.² The artificial "reduction in cost" of foreign currency enables national enterprises operating on the local market and with access to official foreign currency resources to acquire overseas equipment, components and materials at in fact understated prices. This, like the financial and other privileges, entails a loss of real criteria of the efficiency of local industry.

The strong tilt in economic policy toward enterprises operating on the home market has been reflected most negatively in the development of exports. In principle

import substitution and the expansion of exports are not mutually exclusive goals and could complement one another. The experience of a number of "third world" states has demonstrated clearly that a most important prerequisite of this is the creation for exporters, at a minimum, of as propitious conditions of activity as for the enterprises operating on the home market. This prerequisite is missing in the majority of emergent countries. The inordinate encouragement of enterprises operating on the home market is combined with insufficient stimulation of or actual discrimination against export activity.

The unrealistic exchange rate of the national currency is in fact depriving exporters of some proceeds from overseas sales. In addition, they frequently do not receive sufficient financial and other assistance from the government and lack the opportunity to freely acquire the necessary components and materials overseas. The export industries (raw material primarily) are in fact forced to themselves bear a considerable part of the burden in respect of the support for inefficient enterprises, providing them with foreign currency, purchasing comparatively costly and substandard local commodities and paying export and other taxes. Activity on the local market proves because of this more profitable and dependable and requires considerably fewer organizational and technical efforts than the assimilation of foreign markets, which is attended by high risk and costs, as a consequence of which the manufacturing enterprises of the emergent states are usually reluctant to consent to the development of exports.

The negative consequences of superprotectionism in respect of import-substituting industry and the discrimination against exporters were ascertained in the "third world" long ago enough. Many people here understand that such a policy is failing to contribute to a strengthening of the developing states' foreign economic positions, leading to a squandering of national resources and engendering profound national economic disproportions. However, the elimination of the privileged position of the enterprises operating on the home market and the partial redistribution of resources in favor of export industries has proven to be an extremely complex business. Having once arisen, the inefficient import-substituting enterprises have acquired their own economic and social inertia. Many social groups, from the industrial bourgeoisie and a substantial part of the machinery of state through individual detachments of the working class, are linked with them.

A reduction in customs tariffs is further complicated by the fact that they account for a substantial part of budget revenue. In addition, determining the maximum permissible level of protection for any sector is far from simple inasmuch as account has to be taken also of the need to support potentially viable industries which, owing to a lack of experience of activity and other circumstances, cannot for some time manage without special government patronage.

On certain key issues the position of the forces directly connected with import-substituting industry corresponds to the interests of other social groups. For example, the preservation of an officially stable (but in fact frequently increasingly overstated) exchange rate of the national currency easing inflationary pressure is supported by the broadest strata of the population, the urban strata primarily, which consume commodities with a high proportion of imported components and also food imported from overseas. Such a currency rate is beneficial to private and official recipients of overseas credit fearing an increase in their amount of their debt payments in national monetary units; representatives of the well-to-do classes investing resources overseas; importer-tradesmen; and so forth.

And, finally, we cannot disregard the aspiration of the leadership of many "third world" countries to control as fully as possible the national economy and social processes and the gravitation ensuing thence toward self-sufficiency and isolation from the destabilizing and unmanageable forces of the world market. In addition, a partial dismantling of the complex system of control over economic life, connected with protectionism, would be contrary to the interests of the official bureaucracy which has grown together with this system.

The said circumstances were reflected to a considerable extent in the nature and results of the measures adopted by the developing countries to increase the international competitiveness of their national economy. These measures concern, specifically, a reduction in the level of protectionist defense of local industry. Steps were taken in the 1970's-1980's in Argentina, Chile, Indonesia, Malaysia, the Philippines, India, Sri Lanka, Thailand, Kenya, Morocco and other countries to reduce customs tariffs and ease quantitative restrictions on imports. The limitations on access to the national economy of foreign firms have been relaxed in the majority of states.

Many states have also made efforts to bring the official exchange rate of their currencies more into line with their actual purchasing power. For example, in the 1980's Argentina, Bolivia, Colombia, Ecuador, Venezuela, Chile, Ghana, Zaire, Uganda, Senegal, India, Indonesia, Pakistan and others have practiced a considerable devaluation of their currencies, and some states, what is more, have introduced a regular adjustment to the exchange rate given a change in the actual correlation of currency purchasing power parities. In accordance with programs for a reduction in the budget deficits, subsidies to unprofitable enterprises supplying the local market have been cut in many countries. At the same time, on the other hand, the stimulation of export activity has been increased markedly.

Nonetheless, the attempts to change the position of exporters in the national economy and compel industry to increase its competitiveness more energetically have had only a limited effect in the majority of countries. This is explained primarily by the timorousness and

inconsistency in implementation of the corresponding programs affecting the interests of influential social groups. Following a lowering of customs dues, there is frequently a tightening of administrative restrictions on imports; the policy of maintaining a competitive currency exchange rate is, as time goes by, nearly always sacrificed to the curbing of inflation and so forth. In addition, the programs for rationalizing economic policy are frequently not of a comprehensive nature. For example, the positive influence on exports of a liberalization of imports and official stimulation is frequently exceeded by the negative impact of an artificially high currency rate, the frequent change of priorities in economic policy and so forth.

Even in states where the general economic conditions for exporters have improved, export transactions in the majority of cases are still noticeably less profitable than activity on the home market. Thus a report of the Indian Commercial Policy Committee observed: "The present measures for encouraging exports are basically compensation for the difficulties which exporters are encountering as a result of the pursuit of intra-economic policy, and the stimulating aspects (if they exist) therein are extremely negligible."³ In addition, exporters' actual use of official privileges is impeded in many countries by burdensome bureaucratic formalities, which in some cases are weakening the effect obtained, in others, proving simply insurmountable, particularly for small and medium-sized companies.

The task of lessening the developing countries' isolation from the world market is also made considerably more complicated in the present decade by the deterioration in the conditions for the marketing of their export products and the dire shortage in the majority of these countries of currency resources. The states which have embarked on the implementation of programs of an expansion of exports and a strengthening of foreign economic positions in the most propitious world-economic situation of past decades have found themselves in the best position.

Ingredients of Success

In connection with the difficulties which are being experienced by the majority of developing countries in enhancing the competitiveness of their exports there is a particular interest in the experience of those which have succeeded in noticeably strengthening their foreign trade positions. The leading place in this group is occupied by South Korea, Hong Kong (Xianggang), Taiwan, Singapore, Brazil, Mexico and Turkey. They are not only major exporters of industrial products (from \$6 billion for Turkey to \$26 billion for South Korea in the mid-1980's) but have also demonstrated in the present decade extraordinarily high dynamism on foreign markets. In 1981-1985 the value of the export of industrial products grew by a factor of 1.2 in Hong Kong, 1.3 in Singapore, 1.9 in South Korea and by a factor of 2 in Brazil (1981-1986).⁴ A particularly strong "spurt" has been put on by Turkey and Mexico. In the first the

export of industrial commodities increased from \$800 million in 1980 to \$6 billion in 1985, and in the second, from \$1.7 billion in 1980 to \$7.2 billion in 1986.⁵

The economic strategy selected by the seven countries and territories since the war differs to a large extent, fundamentally even, at times. However, there are also certain features of similarity in their economic policy, which essentially explain the success they have scored on foreign markets. These are a constant policy of the creation of conditions conducive to export activity combined with active use of the stimulating effect of competition for keeping local producers "in shape".

A particular place in the group in question belongs to Hong Kong and Singapore. Their national economy is developing given a virtually total absence of restrictions on import-export and currency transactions. "Free port" status has contributed to the creation here of highly efficient industries combining the advantages of a favorable geographical location and the availability of comparatively cheap, disciplined and skilled manpower with the possibility of the use of the best components, materials and equipment available on the world market. Having started out with the simplest labor-intensive products, local industry has gradually broadened the export selection, having incorporated therein technically intricate products: high-class sound-reproduction equipment, electronic calculating equipment, precision machine tools, drilling rigs and so forth.

The way toward a strengthening of positions on world markets has been different for the bigger countries and territories which are members of the group of leading exporters. All of them, as distinct from Hong Kong and Singapore, are far from fully exposing their economy to the winds of international competition. The trading conditions of South Korea, Taiwan, Brazil, Turkey and Mexico (in the 1980's) have been moderately protectionist by "third world" standards. And, furthermore, tariff and nontariff protection is also enjoyed by the sectors of the economy (primarily these frequently) which demonstrate the greatest export dynamism (the average amount of the customs tariffs protecting a principal export sector—automobile manufacturing—for example, constituted 95 percent in Brazil, 70 percent in South Korea⁶).

In order to achieve the high assertiveness of the local producers on foreign markets under these conditions efforts were made to do away with the discrimination against export activity compared with transactions on the home market. In Brazil, Turkey and Mexico export expansion was preceded by significant changes in the currency sphere. As of the end of the 1960's Brazil has employed (albeit not always consistently) a system of "sliding devaluation," which makes it possible to maintain the exchange rate of the local currency at a level corresponding, as a whole, to the actual change in its

purchasing power. Following large one-time devaluations of their currencies in the present decade, Turkey and Mexico have also made regular adjustments to their official rate.

These measures contributed to a considerable extent to lessening the emphasis in economic policy which had existed in the preceding period on the support for industry operating on the home market. They not only lent export activity powerful impetus but created the prerequisites for more efficient import substitution and a lowering of protectionist barriers. Maintaining a currency exchange rate beneficial to exporters has traditionally been a key component of economic strategy in both South Korea and Taiwan, which largely explains their resistance to foreign economic "shocks".

A particularly strong and immediate influence on the development of export industry was exerted by the granting to exporters of the right of unfettered and duty-free imports of the necessary components and materials. This releases them from the diktat of inefficient local suppliers and makes it possible to achieve a competitive level of costs and quality. Experience has shown that free access to imports does not impede a gradual increase in the proportion of local components in the value of the exported products. Endeavoring to cut costs, many firms switch to the independent manufacture of parts which they had previously imported or seek an improvement in the work of local subcontractors.⁷

Export enterprises of South Korea, Taiwan, Brazil and Mexico enjoy great privileges in respect of taxation, the payment for transport and a number of other services and the level of depreciation allowances. The government renders them considerable assistance in market study and the advertising of their products, and some industries receive subsidies.

An important stimulus to the development of the export sectors is the granting to them of preferential access to government credit at reduced rates. It is hard to exaggerate the significance of this benefit under the conditions of the short-supply nature of loan resources and their high cost on the national market.

Thus in the countries and territories in question exporters have not simply been accorded "equal status" with producers oriented toward the home market, they have occupied a privileged position in the national economy. As distinct from the majority of "third world" states, where the lion's share of national resources allocated industry goes on maintaining barely profitable industries, these countries and territories channel the bulk of the corresponding resources into helping the most competitive and promising enterprises. Such enterprises may enjoy both the above-mentioned special privileges and advantages associated with a protected home market. The start of the export transactions of local producers is

preceded in the majority of cases by a more or less lengthy period of their activity within the country, which enables them under sparing conditions to fine-tune the production process.

As far as the enterprises oriented exclusively toward external markets are concerned, they may in Mexico, South Korea and Taiwan be accommodated in special export zones, where particularly preferential conditions have been created for them.

Measures to encourage exporters are supplemented by efforts aimed at struggle against the monopoly trends of local firms. Specifically, support for the creation of new companies is granted to stimulate competition and avert technical stagnation. This policy is pursued particularly actively on Taiwan, as a consequence of which interfirm struggle is distinguished there by extraordinary seriousness. The government of the territory consistently supports small and medium-sized national business and curbs the growth of monopoly groups.

The attraction to the national economy of foreign companies is employed also for the "dynamization" of the industry of Brazil, Mexico, South Korea, Taiwan, Hong Kong and Turkey. The presence in the modern sectors of the economy of enterprises of leading foreign firms helps maintain an overall high level of production efficiency and facilitates the expansion of exports.

However, the position of foreign capital in individual countries and territories is far from identical and is largely dependent on the technical and organizational possibilities of local business. Thus in Singapore the government is oriented in the sphere of modernization of industry primarily toward overseas firms inasmuch as the local entrepreneurial stratum has proven incapable of coping with this task independently. Branches of transnational corporations control the overwhelming portion of the republic's exports.

An important place is occupied by the TNC in the production and exports of Brazil, Mexico and Turkey. For example, at the end of the 1970's they accounted for more than 40 percent of the export of industrial products in Mexico, and for more than half in Brazil.⁸ This is largely connected, evidently, with the lack among the local bourgeoisie, which took shape under the conditions of protectionism, of skills and the "taste" for activity in the technically advanced and export sectors of the economy. The insufficient consistency of local governments in "cultivating" competitive national business is reflected also.

Foreign capital plays a far lesser part in the East Asian territories. Hong Kong and Taiwan, where since 1949 the "cream" of Chinese entrepreneurial circles has concentrated, are obliged for their phenomenal growth of industry and exports primarily to the energy of local

businessmen. The positions of foreign firms here are strong mainly in the production and export of the most technically intricate products.

The situation is roughly the same in South Korea. The territory puts the emphasis in its economic strategy on the biggest national corporations—the (Chebol)—which receive from the state tremendous financial and technical assistance. Taking advantage of the (Chebol's) high degree of dependence on such assistance, the government forces them to prove their right to it in intensive competition with one another and with overseas producers on foreign markets. The achievement of pronounced successes in exports is in fact an essential condition there of access to cheap credit and the rapid expansion of production. The activity of foreign capital in the local economy here is controlled such that it complement and stimulate the efforts of national companies.

As a whole, branches of foreign firms account in the three East Asian territories for no more than one-fourth of export sales.

In order to "prompt" local industry to an increase in efficiency and lessen the possibilities of monopoly income being derived on the local market use is also made of a lowering of protectionist barriers. In the present decade South Korea and Taiwan and also Turkey and Mexico have consistently implemented import-liberalization programs. There has been an appreciable reduction in the number of commodities whose imports have been banned, many import quotas have been replaced by tariffs and the amount of import dues has been reduced in respect of a number of commodities. For example, in Mexico the maximum level of customs tariff had been lowered from 100 percent in 1982 to 45 percent by 1986.⁹ On Taiwan the government determines for each sector the maximum permissible gap between domestic and world prices, periodically reducing it.

In Brazil, Mexico and Turkey intra-country competition has intensified markedly following the adoption at the start of the present decade of austerity programs which have led to limited consumption. The sharp squeeze on demand has reduced the attractiveness of transactions on the local market and forced many companies to seek purchasers abroad.

Nor can we underestimate the constant attention to export problems which is paid in the countries and territories in question by political circles, the press and government economic organs. The winning of positions on foreign markets has in South Korea, Taiwan, Brazil, Turkey and Mexico been elevated to the level of a most important goal, with the attainment of which national prestige is connected to a considerable extent. Successes in this sphere are seen as evidence of high patriotism and are encouraged not only materially but also morally (special medals are conferred on the leading exporters on Taiwan, for example).

Mention should be made of one further typical feature of the group of leaders in the industrial export sphere. It is not fortuitous, evidently, that in all the said instances the consistent transition to an export-encouragement strategy has been effected under the conditions of authoritarian regimes (in Brazil, South Korea, Turkey and Taiwan) or in countries in which the ruling party has steadily occupied the predominant positions in political life (Mexico, Singapore). Under the conditions of the political stability which has been achieved it has become possible to neutralize the influence of the forces opposed to the policy of subordinating economic policy to demands which are dictated by active participation in the international industrial division of labor.

Switching from an analysis of the situation in individual leader-countries to a comparison of the foreign trade indicators of the main regions of the "third world," it may be observed that the greatest dynamism on world industrial product markets in the last two decades has been demonstrated by Southeast Asian countries.¹⁰ In 1984 they accounted for 70 percent of the developing countries' total industrial product exports (compared with 42 percent in 1970).¹¹ The high competitiveness of a number of countries of this region is largely explained by the close attention which they pay to questions of a buildup and diversification of exports, the lesser isolation of the national economies from the world markets and a greater orientation toward the use of the advantages of the international division of labor. At the same time, however, an analysis of the general conditions of economic growth in the three main regions of the developing world is extraordinarily important for an explanation of the said differences.

Preconditions of the Intensifying Differentiation

In the preceding section it was a question primarily of the direct impact of a state's economic policy on the position of exporters. At the same time an increase in the competitiveness of the national economy in the long term and the possibilities of diversification of the economic and export structure and a rise up the "technology ladder" depend to a tremendous extent on the overall financial-economic situation in the country. Decisive significance is attached in the present world-economic situation to a state's capacity for securing conditions conducive to the accumulation process.

The relative stability of domestic prices is particularly important here. Disruptions to this stability introducing elements of chaos and unpredictability to the economic situation undermine incentives to savings and investments and seriously complicate the preservation of a country's international economic positions. If the situation in the main regions of the "third world" is compared from this angle, it may be noted that the highest rate of inflation characterizes Latin America. For example, in the period 1976-1985 the average annual growth of prices amounted in Colombia to 24 percent, in Mexico to 22 percent, in Peru to 78, in Argentina to 297 and

in Bolivia to 355 percent.¹² In a number of leading states of the region inflation, which has firmly "eaten" into the economy and the population's mentality, has become a most serious obstacle in the way of economic and social development, and the fight against it has become a national priority.

To partially neutralize the impact of the growth of prices on the population's living standard and economic processes complex mechanisms incorporating the indexing of wages and other income, regular adjustment of the currency exchange rate, the subsidizing of exports and so forth have been created. These mechanisms operate imperfectly and, in turn, have become an independent factor of the continuation of inflationary pressure (the constant devaluations undertaken by Brazil and Mexico, for example, to stimulate exports simultaneously spur an increase in prices, preventing the achievement of other national goals). The numerous attempts to beat back the rate of price rises which have been made in recent years by the three most important Latin American states (including the "Austral" and "Cruzado" programs) have produced only limited results as yet.

Inflationary processes in Latin American countries represent a complex phenomenon and have been engendered by a whole set of factors. A particular place among them is occupied by the chronic budget deficits. Under the conditions of the very inadequate development of the private long-term capital market in Latin America a substantial amount of the deficits is covered by central bank credit, which leads to the inordinate expansion of the money supply and the amount of borrowing. In Argentina, for example, from 64-72 percent of budget deficits were financed by this method throughout the 1970's, and in Mexico the central bank accounted in 1980 for approximately one-half of total credit granted by the national banking system.¹³ It is not fortuitous that the growth of the budget deficits in Latin American countries has been accompanied, as a rule, by spurts of inflation (in Chile, for example, in the first half of the 1970's, in Brazil, Mexico and Bolivia, at the start of the 1980's).

The endeavor to use inflationary financing to solve economic and social problems is evidently a characteristic feature of the economic policy of many Latin American states. Under the conditions of the political instability observed in the majority of countries of the region and the vulnerability of the state leadership in the face of the pressure of influential social groups, primarily the urban middle strata and the unions, the excessive credit and monetary expansion is frequently regarded as a comparatively "painless" method of satisfying the demands for a rise in the living standard and the additional financing of the economy. A substantial amount of the resources obtained by Latin American states in the past two decades from "inflation tax" has been spent on support for inefficient enterprises.

In many countries of the region the budget deficits have assumed particularly large proportions in the present decade in connection with the deterioration in foreign economic conditions and attempts to "cushion" their consequences by way of an increase in government spending. The gap between the expenditure and revenue parts of the budget of the central government in the period 1981-1983 constituted 2.7 percent of gross domestic product [GDP] on average in Brazil, 8.2 percent in Uruguay, 9 percent in Argentina and 10 percent in Mexico (compared, respectively, with 1.1, 0.9, 3.9 and 3.4 percent in the preceding 5-year period).¹⁴

The growth in the imbalance in the budgets in the 1980's has been connected to a considerable extent with the financing of the constantly increasing losses of state-run enterprises. In 1982, for example, such losses constituted approximately 7 percent of GDP in Argentina, 2 percent in Mexico and 14 percent in Brazil¹⁵ and were explained by both the insufficient efficiency of the work of the state-owned corporations and the reduction in the prices of the products and services they supply in order to subsidize the population and industry.

It is interesting to compare the financial-economic situation in Latin American countries with the situation in another region of the "third world"—South and Southeast Asia. In the period 1976-1985 the average rate of price rises in such countries and territories as India, Pakistan, Indonesia, Malaysia, Thailand and South Korea amounted to 6.8, 8, 12.7, 4.6, 7.4 and 12.4 percent respectively.¹⁶ The moderate increase in prices has contributed to the relative stability of economic development and, as a rule, the achievement of pronounced successes in increasing exports.

The striking difference of the price situation in South and Southeast Asian countries from the situation in Latin American states is explained to a large extent by the more "conservative" attitude of the first toward the rate of increase in and methods of financing government spending. Although many of them have had significant budget deficits for long periods, this has not usually entailed a surge in prices. For example, in the period 1972-1980 this deficit in Malaysia constituted on average 7.4 percent of GDP, but prices in the same period grew on average only 7.3 percent a year.¹⁷ A similar situation was observed in Thailand, Pakistan and India.

This was largely connected with the fact that the government deficits were covered here primarily thanks to domestic loans, given constant control of the increase in the money supply. The possibilities of floating such loans are broader in the South and Southeast Asian states, as a whole, than in Latin America. They have scored big successes in the development of a national system of credit institutions capable serving as the base for the long-term financing of the state and the private sector. It is indicative that in the period 1975-1980 the ratio of the sum total of time deposits in the credit and finance institutions to GDP constituted on average 19.4 percent

in India, 24.5 percent in South Korea, 26 percent in Thailand and 29.1 percent in Malaysia compared with 16.3 percent in Venezuela, 16 percent in Mexico, 15.7 percent in Argentina, 6.2 percent in Peru and 2.3 percent in Brazil.¹⁸ In comparing these indicators it needs to be considered that in terms of the amount of per capita production in 1981 India, for example, lagged behind Argentina by a factor of 19, and behind Brazil, by a factor of 9, Thailand sixfold and threefold respectively, and so forth.¹⁹

The dissimilar capacity of the credit and finance system of the Latin American and Asian countries in question for mobilizing internal savings is explained by the dissimilarity of inflation levels, singularities of government regulation, the degree of development of the financial markets and other factors. An important role here is performed by government control of bank interest rates. In South and Southeast Asia the level of such rates more often than not makes it possible to secure for investors quite favorable conditions. For example, in the period 1961-1981 the real (that is, with regard for inflation) average annual rate of interest on deposits amounted in South Korea to 0.6 percent, Pakistan, 0.7, Thailand, 3, Malaysia, 3.5, and Taiwan, 3.7 percent.²⁰

As far as the Latin American countries are concerned, the majority of them was up to the end of the 1970's pursuing a policy of "cheap credit". The official loan rate "ceiling" was set at a level which made investment in the banks unprofitable for many holders of spare cash. For example, in the period 1977-1984 the average real rate on deposits amounted in Argentina to minus 5.3 percent, and in Mexico, to minus 11.8 percent.²¹ Such a policy was dictated by the interests of the consumers of credit resources, primarily the industries being specially encouraged by the state and enjoying privileges in the allocation of loans. The state also, resorting extensively to loans on the local market and having built up in the majority of Latin American countries a large domestic debt, had a direct interest in keeping the real cost of domestic credit at a low level.

The policy of mobilizing national capital for economic building contributed in the majority of South and Southeast Asian countries to a growth in the volume of domestic savings. The proportion of such savings in the GDP in the latter half of the 1970's had grown in India, for example, to 23 percent (compared with 14 percent in the first half of the 1960's), in South Korea to 27 percent (compared with 13 percent), on Taiwan to 33 percent (compared with 17 percent) and in Singapore to 32 percent (compared with 9 percent).²² As a result the bulk of countries of this region was able in the 1970's to markedly reduce the considerable lag which had existed in the 1960's behind the leading Latin American states in respect of this indicator or to surpass them even. And, furthermore, whereas in many Latin American states in the first half of the present decade the level of domestic savings declined very noticeably, the countries of South and Southeast Asia were able in the majority of cases to

prevent a significant deterioration in this indicator. Thus in the period 1980-1985 the rate of domestic savings declined to 11.3 percent in Argentina compared with 21.2 percent in the period 1973-1980, to 16.9 percent in Brazil compared with 21.7 percent, to 15 percent in Colombia compared with 19.2 percent and 24.9 percent in Venezuela compared with 34.5 percent. At the same time, on the other hand, the corresponding figures constituted 22.6 percent in 1980-1985 and 22.3 percent in 1973-1980 in India, 26.6 and 24.6 percent Indonesia, 27.5 and 29.3 percent in Malaysia, 26.9 and 26.4 percent in South Korea, 12.5 and 10.9 percent in Pakistan and so forth.²³

Inflationary trends, the inconsistent and frequently unrealistic policy in respect of the local currency exchange rate and the insufficient stimulation of bank deposits brought about in many Latin American states a lessening of the interest in local investors of capital in investment in the national economy. It is no accident that Latin American states "lead" in terms of the amounts of the flight of capital overseas. According to Morgan Guaranty Trust estimates, in the period 1976-1985 the drain of national resources amounted in Mexico to \$53 billion (which is equal to more than half the foreign debt as of 1985), in Argentina, to \$25 billion (half the debt), and in Venezuela, to \$30 billion (approximately 90 percent of the debt).²⁴ In fact these countries have borrowed overseas mainly to finance their citizens' and companies' overseas investments. So massive an outflow of capital prompts the idea of the close connection between the unpropitious financial and economic position, specifically, the seriousness of the debt problem, in a number of Latin American states, and the existence there of serious shortcomings in the mechanism of government regulation of the savings process.

The problem of the flight of capital is considerably less acute in South and Southeast Asia. In South Korea, for example, where the outflow has assumed the greatest proportions, it amounted in 1985 to merely 10 percent of accumulated debt.²⁵ This was connected primarily with the comparatively propitious general conditions for the profitable investment of capital which exist in the majority of countries and territories of the region. Nor is it possible to overlook the traditionally stricter regulation of currency transactions characteristic of many Asian states. At the same time, on the other hand, the attempts of a number of Latin American countries (Argentina, Mexico and others) to introduce more effective control in this sphere have had a limited effect. Numerous factors associated with technical difficulties of control, the position of the IMF and so forth have been reflected. An extraordinarily important part has also been played, evidently, by the interests of the privileged strata of society in preservation of the maximum freedom of choice of location for the investment of their capital. Also pertaining to these strata together with the bourgeoisie and part of the middle classes is the politically extraordinarily influential upper stratum of the state

bureaucracy, which accounts for a significant proportion of the national resources legally or illegally exported overseas.

Consistent efforts aimed at an acceleration of the savings process and the development of exports have been made by the majority of countries of South and Southeast Asia, and this explains to a considerable extent why the problem of foreign debt has not become as serious in the region as in many Latin American states. Only in one country of the region—the Philippines—has the debt situation assumed a crisis nature. Furthermore, the states of South and Southeast Asia are characterized by a more cautious attitude than many Latin American countries toward overseas borrowing of capital ensuing from the prevailing economic philosophy and also greater control of the efficiency of its use. As distinct from many major borrowers in other regions of the "third world," which in the 1970's-1980's channeled a significant amount (frequently the bulk) of foreign credit into maintaining the level of consumption, attempting to put off the restructuring of the national economy in accordance with the changed external conditions, the countries of South and Southeast Asia used the attracted capital primarily for building up and modernizing their production potential.

The problem of adaptation of the economy to the new, more propitious world-economic situation also acutely confronts African countries. The economic policy of the majority of these countries is characterized to this extent or the other by many weaknesses typical of management methods in the developing world as a whole. The situation here, however, is made noticeably worse by the great backwardness of the region and the absence in the bulk of countries of the necessary social and cultural environment for the formation of modern economic structures. The standards of consumption and the forms of socio-political organization borrowed from highly industrial societies, superimposed on local social and cultural traditions (alien to capitalist accumulation, as a whole), frequently lead in African countries to the domination in the "modern" sector of society of a consumer orientation frequently verging on social parasitism.

Also typical of the majority of African states (Tropical African states particularly) is the fact that the disastrous consequences of disregard for the needs of the agrarian sector have been manifested particularly poignantly here. The long pumping of resources thence into the urban sector has drained agriculture, led to a growth of the food shortage and the rapid growth of food imports, weakened in many cases the export base of the economy and given rise to acute social problems.

In recent years measures have been adopted (not without the persistent recommendations of the IMF and the World Bank) to rectify the situation which exists. The results of these measures will largely depend on the

capacity of the local governments for resisting the pressure of social groups interested in preserving their privileges at the expense of the rural population.

The close connection of the decline of agriculture in Africa with the economic policy which has been pursued there becomes particularly manifest if the results of the development of the agrarian sector of African and Asian countries are compared. The purposeful policy of stimulation of the peasant farms enabled the states of South and Southeast Asia to achieve an average annual increase in per capita food production of 0.9 percent in the last decade and of 1.8 percent in 1980-1985, whereas in Tropical Africa, to which the majority of states of the African continent pertain, per capita production in these periods declined by 1.6 and 1.3 percent a year respectively.²⁶

The unpropitious world-economic situation in the present decade has exposed and made less tolerable the economic disproportions which have arisen in the course of the emergent states' post-colonial development and intensified considerably in the majority of them the need for serious changes in economic strategy. The surmounting of the difficulties will depend on the capacity of the emergent states for reallocating resources in favor of industries providing for a growth of currency proceeds and real savings on imports (primarily agriculture and the export sector of manufacturing industry); perfecting the national mechanisms of the mobilization of savings and reducing dependence on the influx of capital from outside; improving government finances, by way, specifically, of a reduction in direct and indirect budget subsidies for unprofitable enterprises and middle strata consumption; creating conditions more conducive to savings and investments; increasing the efficacy of the machinery of state. Much will depend on how much success there is in revising the scale and forms of government intervention in economic life to ensure, where possible, greater scope for the operation of market regulators and the initiative of the producers themselves (the relative significance of this enumerated measure or the other in individual countries is undoubtedly dissimilar and is determined largely by the level of development and the particular features of the local situation).

The accomplishment of the said tasks is running into obstacles associated primarily with the resistance of the strata for which a revision of economic policy would mean a loss of their customary privileges. In countries where the competitiveness of the economy is low, such strata are, as a rule, quite strong and include the bulk of the politically active population. Another difficulty is connected with the fact that the benefits of profound structural reorganization and an easing of isolation from the foreign market come to light usually only some considerable time later, but the costs are perceived immediately. It is not fortuitous, therefore, that a consistent policy of an increase in the long-term economic efficiency of the economy does not usually enjoy the necessary support "from below". As practice attests, the

successful pursuit of such a policy is possible primarily where the state authority initiating the reform is strong enough to prevent the attempts of the groups losing out because of the reforms subordinating national economic strategy to their selfish interests.

A strong authority could have a democratic form, however, hitherto relatively rational policy from the viewpoint of the accomplishment of long-term tasks and successful integration in the world economy has more often been pursued in countries with a more or less authoritarian form of government. The obverse of the economic successes here has usually been a limitation of union and civil liberties, the high intensity of the exploitation of manpower and a growth of property inequality.

Experience shows that the authoritarian model of capitalist modernization is unstable in the long term. The high social costs and the political tension born of them sooner or later inevitably lead to a softening of the regime (Taiwan) or its transformation (South Korea, Brazil and elsewhere), the more so in that in the course of rapid capitalist modernization there is a strengthening of the bourgeoisie, the middle strata and the working class capable of constituting a real opposition to the dictatorship.

It is important to emphasize that in itself the nature of political power does not determine the level of efficiency of state leadership of the economy. The reality of the "third world" abounds in examples of authoritarian regimes under which national property is embezzled by the official bureaucracy and the social groups connected therewith. Essential conditions, evidently, for the pursuit of an economic strategy corresponding to the country's long-term interests are a particular level of economic competence of the ruling groups and the machinery of state and their devotion to national goals and a readiness to listen to qualified public opinion and flexibly adjust their policy in accordance with changing circumstances. This, in turn, implies a certain cultural and political maturity of the local society and the presence of traditions of efficient state administration.

The above-mentioned preconditions of the pursuit of a consistently rational state economic policy are most propitious in a number of states and territories of Southeast Asia. The emergence of a strong state oriented toward the rapid elimination of economic backwardness is based in this part of the world on long-standing historical conditions. The relative stability of the political regimes in the majority of the successfully developing Asian countries, providing for continuity of economic policy, is significant also.

The sociopolitical situation is contributing to a far lesser extent to the pursuit of a consistent economic policy in Latin America. In many countries of the region social groups benefiting from superprotectionism and other

forms of support for uncompetitive enterprises, broad-based consumption subsidies from the budget, an artificially high currency exchange rate and so forth are well organized politically and have a real opportunity for challenging the government. This is making considerably more difficult the implementation of economic rationalization programs. A considerable part is played also by the traditions of populism, which is deeply rooted in many Latin American countries and which emphasizes redistributive measures and a growth of consumption. The acute struggle between the populist and technocratic trends in these countries is engendering sharp fluctuations of economic policy and impeding the creation of an atmosphere of stability and confidence in the future so necessary for investment in the modern capital-intensive sectors.

In addition, certain leading Latin American countries (Argentina, Venezuela and others) with large markets and a rich resource base were for a long time able to exist under the conditions of the bulk of the economy's isolation from the world market, not subordinating its development to the strict demands of economic rationality. As a result the economic disproportions, which assumed a structural nature there, are proving rectifiable only with great difficulty.

Traditions of purposive state leadership of economic building are particularly weak in Tropical African countries. The states of the region have practically only just started the long and difficult process of the creation of the socioeconomic foundations of economic development which already exist, for example, in many Asian countries. The relatively low professional level of the majority of civil servants, the corruption and tribalism corroding the machinery of state and the general instability of the political situation are in many African countries undermining the efficiency of state economic policy, making it a tool of realization of the selfish interests of the state bureaucracy and the groups connected with it.

Upon an analysis of the fruitfulness of official economic policy sight should not be lost either of the cultural-civilization factors largely determining the philosophical principles and behavioral stereotypes of the local populace. These factors have a tremendous impact both on the "quality" of the people working in the machinery of state itself and on the capacity of the nation as a whole to realize what has been outlined by the government. The Asian countries, which are a part of the habitat of Confucian culture, whose populace is characterized by such traits as discipline, industriousness and a capacity for concerted action, are "beyond competition" from this viewpoint. A telling part is also played in these countries by the long-standing traditions of commercial and entrepreneurial activity facilitating the training of modern economic executive personnel at all levels. High labor ethics and traditions of independent enterprise are to a lesser extent characteristic of the Latin American and, particularly, African cultures. This explains to a

considerable extent the difficulties being encountered by many Latin American and African countries in their attempts to enhance the efficiency of their economy and state administration.

The conclusions and generalizations ensuing from the analysis of the economic policy of the state in the developing countries should undoubtedly not be seen as an exhaustive explanation of the intensifying differentiation in the "third world" in the present decade. However, they represent, I believe, useful material for a realistic appreciation of the prospects of the surmounting of backwardness and the creation of a viable modern economy in various parts of the developing world.

Footnotes

1. "Handbook of Trade Control Measures of Developing Countries. 1987," New York, 1987, pp 204, 213, 348, 380, 424, 80, 125, 113.
2. In the 1970's-1980's an increase in the discrepancy between the actual and the official value of the national currency was observed over long periods of time in Argentina, Chile, Mexico and Uruguay and in many African and other countries.
3. "Economic and Social Survey of Asia and the Pacific 1985," Bangkok, 1986, p 193.
4. Estimated from "Handbook of International Trade and Development Statistics. 1986 Supplement," New York, 1987, pp 138-157; THE ECONOMIST, 25 April 1987. "Brazil Survey," p 5.
5. Estimated from SOUTH, January 1985, p 45; THE ECONOMIST, 4 July 1987, p 67. "Handbook...", pp 138-157.
6. "Handbook of Trade Control Measures...", pp 204, 395.
7. Thus the national share of the value of South Korean color television receivers is as of the present in excess of 90 percent (JDS BULLETIN, Oxford, March 1982).
8. CEPAL REVIEW, April 1985, p 57.
9. THE WALL STREET JOURNAL, 8 August 1986.
10. In this article, as in the UN publications, the East Asian countries and territories are attributed to South-east Asia.
11. Estimated from "Handbook of International Trade and Development Statistics. 1986 Supplement," pp A 36, A 38, 161-179.
12. Estimated from "International Financial Statistics. 1986 Yearbook," Washington, 1986, pp 112-113.

13. S.N. Kosobchuk, "Credit Systems of Latin American Countries," Moscow, 1983, p 90.

14. Estimated from "International Financial Statistics. 1986 Yearbook," p 145.

15. Estimated from B. Balassa et al., "Toward Renewed Economic Growth in Latin America," Washington, 1986, p 126; "International Financial Statistics. 1986 Yearbook," p 145.

16. Estimated from "International Financial Statistics. 1986 Yearbook," p 111.

17. Estimated from *ibid.*, pp 111, 115.

18. Estimated from "International Financial Statistics. 1983 Yearbook," pp 105-133.

19. Estimated from "Handbook... 1984 Supplement," New York, 1984, pp 381, 384.

20. "Economic Bulletin for Asia and the Pacific 1986," New York, 1986, pp 62-63.

21. Estimated from "International Financial Statistics. 1986 Yearbook," pp 187-189, 493.

22. Estimated from "Statistical Yearbook for Asia and the Far East 1972," Bangkok, 1973, pp 108-109; "...1984," 1985, p 206; B. Balassa et al., *op. cit.*, pp 98-100.

23. "World Development Report," Washington, 1987, p 177.

24. "Development and Debt Service," Washington, 1986, p XXV.

25. *Ibidem.*

26. "Handbook of Trade and International Development Statistics. 1987 Supplement," New York, 1988, pp 51, 53.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".

"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Kiva Pessimistic on Third World Development Prospects

18160004g Moscow *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian* No 11, Nov 88 pp 62-72

[Article by Aleksey Vasilyevich Kiva, doctor of historical sciences, head of a department of the USSR Academy of Sciences Oriental Studies Institute: "A Socialist Orientation: Theoretical Potential of the Concept and Practical Realities"]

[Text] There has been a heightening of interest in the past 2 or 3 years in the scientific community in problems of a socialist orientation, to which, specifically, the debate on this topic in journals and in research centers testifies.¹ This has been caused, in my view, by a number of factors.

First, the need for a realistic evaluation of the main directions and trends of the emergent countries' formational development arises. Second, the accumulated experience requires in-depth comprehension—after all, more than two decades have now elapsed since the first emergent countries embarked on the path of noncapitalist development or a socialist orientation (which for the author of this article is in principle one and the same thing). Third, the taboos are being lifted from many previously prohibited subjects and the framework of a genuinely scientific, Marxist-Leninist analysis of many complex issues, including those connected with the theory and practice of a socialist orientation, is being extended in the course of the revolutionary restructuring of Soviet society and the realization in practice of the new political thinking which began in the country following the CPSU Central Committee April (1985) Plenum. Fourth, the concept of a socialist orientation has had both emphatic supporters and firm opponents; its prospects have not always been evaluated identically in different periods of postwar history. However, these issues were not previously discussed freely in scholarly literature.

Further, now, in the period of perestroika, scholars are obtaining information which was not previously accessible to them. As a result many of them have been reinforced in their opinion that overall underdevelopment in the presocialist period is reflected negatively, as a rule, in all aspects of the life of society at the socialist stage and forms objectively favorable ground for the cult of personality, lawlessness, abuses of power and many other deformations in socioeconomic and spiritual development. A picture, of frightening proportions, of the distortions of the principles of socialism in our country, specifically in the national republics which had come to socialism having bypassed the capitalist phase of development, has been laid bare in the atmosphere of glasnost. These were primarily attempts to adapt surviving feudal and family-tribal relations and mentality to socialist realities.

The difficulties of socialist building in Asian states (where at the initial stage capitalism was even less developed than in Russia), as, incidentally, the reasons for the negative phenomena and reverse movements which are occurring in countries of a socialist orientation, have come to be seen differently also.

And, the final point, in the light of the instances of manipulation of statistics pertaining to the development of the Soviet economy and the exaggeration of growth indicators which have become known there arises the question of the need for a certain adjustment of our ideas concerning the actual possibilities of world socialism at the present stage of development, including its capacity for being an effective external factor in relation to the countries of a socialist orientation. That is, a factor capable of accelerating the maturation of the prerequisites for the building of socialism in them. Yet this is a key component of the concept of the noncapitalist transition to socialism. Without the external factor, as follows from the corresponding statements of K. Marx, F. Engels and V.I. Lenin, it is not that such a concept is untenable in practice, it falls apart and cannot exist. It is this which explains, and I wish to emphasize this particularly, the great attention which your author pays to the external factor, a question which, it would seem, had been resolved by our social science long since. Not entirely so, alas.

I shall make one further reservation. Your author has been studying these problems for a comparatively long time and has written a great deal in this connection and, unfortunately, has not been free of mistaken opinions on a number of questions. How could it be helped?! But it was this, perhaps, which prompted him to take the path of a reconsideration of many views on the phenomena in question, and he today shares the position of the Soviet scholars (R.M. Avakov, Yu.G. Aleksandrov, V.F. Vasil'yev, Yu.N. Gavrilov, V.I. Maksimenko, G.I. Mirskiy, N.A. Simoniya, V.G. Khoros, V.L. Sheynis and others) who believe that we cannot on the basis of the theoretical equipment of the stagnation years understand in depth either the essence, scale or prospects of the contemporary socialist orientation or also, as a whole, the particular features of the social process in the former colonies and semicolonial territories and the actual, and not imaginary, paths of their development toward socialism.

At the same time, however, some Soviet social scientists (A.S. Kaufman, N.D. Kosukhin, V.G. Solodovnikov, G.B. Starushenko, R.A. Ulyanovskiy and others) adhere, as far as I am able to judge from their articles in the press and in the course of the debate, to the viewpoint that a concept of the socialist orientation which has been well elaborated and tested by practice already exists. They obviously do not preclude the possibility of some clarifications being made to it but consider, as before, the prospects of socialistically oriented development in the "third world" extensive. And this position deserves respect, if, of course, it is cogent and not held just for effect.²

Acknowledging the crisis of our former ideas concerning the noncapitalist transition to socialism of former colonies and semicolonial territories, a considerable number of social scientists is at the same time concerned lest the debate in connection with this problem disarm the forces in the "third world" which adhere to a socialist orientation and see it as an alternative to capitalism. What can be said in this connection? None of our arguments will do much harm to truly socialistically oriented development as actual political practice. On the contrary, they will only help its supporters comprehend in greater depth the regularities of the noncapitalist transition to socialism and, possibly, the elaboration even of a more realistic, scientifically substantiated program of socioeconomic transformations.

And is it in the spirit of creative Marxism to sacrifice scientific truth to dubious political expediency? This would be an unduly short-sighted policy. Would it be a policy even? Sympathy with subjective socialists and profound respect for their democratism and nonacceptance of man's exploitation of man and any kind of oppression did not prevent the classics of Marxism-Leninism from calling things by their proper name and linking the fate of socialism not with a utopia but with science and not with intermediate social strata but with the social forces which would ultimately be advanced to the forefront of political life by the entire course of natural historical development, primarily the working class.

I

The growing attention at the end of the 1950's-start of the 1960's to the question of noncapitalist development was undoubtedly justified from both the political and scientific viewpoints. Politically it was explained by a desire to assist countries which had emerged and were emerging from colonialism in the choice of a path of social development alternative to capitalism, and the "third world's" progressive forces, in the formulation of a positive action program. As is known, the world communist movement adhered to such a position also. From the scientific viewpoint the advancement of the concept of a socialist orientation was legitimate because the possibility of noncapitalist transition to socialism had already been confirmed by historical practice in a whole number of areas of the USSR and also in the Mongolian People's Republic.

At the same time there was, in my opinion, together with scientifically substantiated propositions concerning contemporary noncapitalist development, much that was wrong and unscientific in considerable numbers of party documents which bore the imprint of a voluntarist approach to social processes, in the speeches of a number of executives and in many political and scholarly articles (which did not go beyond the framework of official guidelines).

Incidentally, the mistaken ideas extend by no means only to the countries of a socialist orientation.³ They included also incorrect evaluations of the development prospects of world socialism and world capitalism of which we know and, consequently, the impact of each of the two social systems on countries of the "third world". The not entirely precise ideas concerning the role of various classes and social strata in the emergent countries and the driving and, particularly, leading forces of national-democratic revolution (specifically, the exaggeration of the revolutionary potential of petty bourgeois democracy) and the nature of the interaction of the basis and the superstructure in transitional-type states. Underestimation of the depth of their backwardness and simplistic ideas concerning the ways and methods of socioeconomic transformations, including the creation of public and cooperative sectors in the economy, and also of revolutionary-democratic countries' departure from the world capitalist economy and so forth. All this reflected to a considerable extent the chronic ailment of Soviet and, to a considerable extent, Marxist social science as a whole—the Eurocentrist approach to an analysis and evaluations of phenomena and processes in countries differing from European countries in socioeconomic and cultural and historical singularities. In one way or another a certain superficiality and confidence that difficulties would inevitably be overcome were predominant in the approach to study of the processes of contemporary noncapitalist development (which differed in a number of most important constituents from the Soviet and Mongolian versions).

Inasmuch as the socialist orientation had been entered in the column of most promising directions in social science, a real boom developed in the field thereof. The serious arguments of individual scholars were drowned in the chorus of unrestrained eulogy of the advantages of noncapitalist development. Completely ignorant of or knowing very superficially, by hearsay, about the actual processes in the emergent countries, certain authors constructed their ideas of a socialist orientation chiefly on the basis of arbitrarily selected statements, taken out of context, of the founders of Marxist-Leninist teaching and also on the basis of the well-known description, understood in an extremely simplistic manner, what is more, of our era as that of the transition from capitalism to socialism. The noncapitalist transition to socialism in a number of areas of the USSR was frequently identified with the present-day socialist orientation, and an idealized model, far from reality, of the building of socialism in the former backward outlying regions of our country was proposed as the model of progressive transformations for the young states.

This was the reason why a not strictly scientific but simplistic interpretation of the problem of noncapitalist development predominated not only in popular but, to a considerable extent, in scholarly literature also.⁴ Not free from the outset even of an opportunist interpretation of a number of propositions from the works of the classics of Marxism-Leninism and deviations from scientific

truth, the theoretical model of a socialist orientation was not subsequently seriously amended with regard for Soviet scholars' extension of the ideas concerning the particular features of social processes in the emergent countries and the accumulated experience of transformations in revolutionary-democratic states. Nor was account taken of the difficulties which had arisen in the development of world socialism, the deterioration in its world-economic positions, lag in the assimilation of S&T achievements and such.

What, in my view, is needed primarily? We need to put the theory of noncapitalist development on a firm scientific footing. It would probably not be inappropriate for a start to return to an examination of what was said in this connection by the founders of Marxist-Leninist teaching. Although we would make the reservation that they were talking about the possibility of the strengthening of backward countries' path toward socialism in abstract-theoretical manner, not developing this problem specifically. "I believe," F. Engels wrote, "that we could set forth only quite idle hypotheses concerning the social and political phases these countries would in that case have to accomplish before they also reached the point of socialist organization."⁵ In just the same way V.I. Lenin said at the Second Comintern Congress that "the Communist International should establish and substantiate theoretically the proposition that with the aid of the proletariat of the progressive countries the backward countries will be able to switch to a soviet system and, after certain levels of development, to communism, bypassing the capitalist development phase. What means for this are needed cannot be indicated in advance. This will be suggested to us by practical experience."⁶

The classics of scientific socialism were right, on the whole, in their anticipation of the possibility of noncapitalist development and the conditions of such an exceptional transition to socialism. And if considerable confusion in respect of the noncapitalist transition to socialism, including the development prospects of today's countries of a socialist orientation, has arisen, this is nothing to do with the classics.

What, however, has been confirmed of what they said concerning questions of the transition to socialism of backward countries? Let us begin with the fact that K. Marx and F. Engels and also V.I. Lenin, who lived in a different historical era, considered the law of formation-al-phased development a common law of the progress of mankind, unfailingly emphasizing that each natural phase of the evolution of society creates not only the material but also intellectual prerequisites for the next. The idea that socialism grows out of capitalism permeates Marxist-Leninist teaching.

The founders of Marxism-Leninism allowed of the possibility of exceptions to the general rule, stipulating for this certain conditions. Specifically, F. Engels wrote in his "Postscript to the Work 'The Social Question in Russia'": "Only when the capitalist economy has been

overcome in its homeland and in the countries where it has achieved prosperity, only when the backward countries see on the basis of this example 'how this is done,' how to put the productive forces of modern industry as social property at the service of all of society as a whole, only then will these backward countries be capable of embarking on the path of such an abridged development process. But, on the other hand, their success will in that case be assured."⁷ This formulation of the question would seem to me logical. In fact, had in the wake of October socialist revolutions occurred in Germany, England, France, the United States and so forth, would this not have had a giant impact on the rest of the world? Incidentally, F. Engels observed in a letter to K. Kautsky: "Once Europe and North America have been reorganized, this will be of such colossal force and such an example that the semi-civilized countries will follow them of their own accord."⁸

But now let us examine V.I. Lenin's formulation of the question of noncapitalist development in the new historical era, following the victory of the Great October. In that period the founder of the Soviet state was on the one hand worried about the fate of the outlying regions of Russia, in which precapitalist production relations predominated, but, on the other, there seemed to him inevitable and close socialist revolutions in other European countries, as a result of which the victorious proletariat of these countries also would be confronted with the question of the formulation of a position in respect of the peoples freed from colonialism. Lenin's opinion was such: "There can be no question that the proletariat of the advanced countries can and should assist the backward working masses and that the development of backward countries may emerge from its present phase when the victorious proletariat of the Soviet republics extends its hand to these masses and is able to support them."⁹ It is obvious here that, in the wake of Marx and Engels, he considers it a most important international duty of the proletariat victorious in revolution to come to the assistance of peoples which have lagged behind in their development and support them in every possible way in their aspiration to social progress.

Lenin's formulation of the question is strictly logical, profoundly scientific and expedient in the revolutionary respect also when he speaks of the prospects of the development of the backward outlying regions of Russia: having freed themselves from tsarism, the peoples of Turkestan and other outlying areas wish to link their fate with the Russian, Ukrainian, Belorussian and other peoples whose progressive representatives accomplished the proletarian revolution. What should be done in this case? Lenin answers: "If the revolutionary victorious proletariat conducts among them (these peoples—A.K.) systematic propaganda and the Soviet governments come to their assistance with all the resources at their disposal, in this case it would be wrong to assume that the capitalist phase of development is inevitable for the backward nationalities."¹⁰

There is, as we can see, no voluntarism, no violence against history in the formulation of the question concerning noncapitalist development in the classics of scientific socialism. Violence against the logic of social development began, as we have already said, considerably later.

A natural question is: inasmuch as ideas imposed from above (albeit bearing the imprint of subjectivism) do not usually arise in a void, where should their roots be sought? How could the manifestly scientifically groundless conclusion that capitalism, as a formation, was already exhausted and that the sole possible path of the social progress of the emergent (socioeconomically backward) countries could be exclusively a socialist orientation have arisen? Its roots, in my opinion, are to be found in the general lagging of Soviet social science and in the subjectivism in the approach to an analysis of actual reality and a fear of the truth, which did not fit into the old patterns, which had nurtured it since the 1930's. In a superficial reading of the forecast of the founders of Marxism-Leninism concerning the conditions of the noncapitalist transition of backward countries to socialism or its given time-serving interpretation. In the disregard for the law of formational-phased development discovered by K. Marx. In the exaggeration of the material-technical possibilities of real socialism by means of simple extrapolation concerning the high rate of growth of production in the USSR at the dawn of its formation as an industrial state to the subsequent period (even if we disregard the stagnation phenomena of the 1970's-start of the 1980's). In the underestimation of the capacity of capitalism for self-development and self-improvement, which, in turn, obviously, ensues from a simplistic understanding of the nature of the present phase of its development.

II

A key question of the theory of noncapitalist development is, as mentioned, the problem of the external factor. Our scholarly literature has recently been saying that real socialism cannot assume the brunt of the expenditure on the creation of the material-technical base of the socialist orientation.¹¹ This is true. The CPSU Program points out that "each people creates chiefly by its own efforts the material base necessary for the building of a new society...."

But the external factor is not only assistance to the emergent peoples on the part of victorious proletarians with, in Lenin's words, "all the means at their disposal." It means also the correlation of forces between the two world social systems, and not only, what is more, from the viewpoint of military power and political-diplomatic influence but also economic potential, which is extraordinarily important at the present stage of the development of Asian, African and Latin American countries.

The influence on the "third world" of its trade and economic and S&T relations with the developed capitalist states, as, equally, the role in the developing countries of the TNC, may be evaluated variously. The role of the TNC may essentially be seen also as a factor summoned into being by the development of world-economic relations and objectively accelerating the surmounting of backwardness by at least some of the emergent countries (we recall how K. Marx evaluated the historically contradictory role of the impact on India of British colonization¹²). And as a factor contributing to the closer attachment of the emergent countries to the world capitalist economy, Western technology and so forth, that is, as an instrument (highly efficient, what is more) of imperialism's neocolonial policy in the "third world" (as this question is most often interpreted in Soviet social science). But it remains a fact that the emergent countries, not least thanks to the activity of the TNC, are being pulled into the world capitalist economy increasingly. And this, in my view, is primarily the result of the inequality of the economic possibilities of the two systems.

We may adduce another example also. Frequently not only expanded but also simple reproduction in the young states, particularly in the most backward of them, can only be secured given the assistance of those same developed capitalist countries. Whence comes also the bulk of the food aid granted these states. Nor can we close our eyes to the fact that even countries of a socialist orientation depend on Western assistance to a considerable extent.

The external factor is for the countries of a socialist orientation and the emergent states as a whole a highly capacious concept. It undoubtedly also implies which of the two social systems they can count on in the struggle to eliminate backwardness, for economic and social progress, against all forms of exploitation and inequality and for a fitting place in the system of international relations, both political and economic. The strong positions of world socialism here are obvious. But in respect of the countries of a socialist orientation the problem of the external factor amounts, in my opinion, primarily to whether real socialism possesses the economic and S&T potential by reliance on which they could circumvent or rapidly negotiate one or even two formations. That is, whether the international conditions about which the founders of scientific socialism spoke have taken shape for the noncapitalist development of backward countries.

Such conditions have not, as we know, taken shape. First of all, socialism has conquered in far from the most developed countries. Owing to this and a number of other—objective and subjective—factors (including the USSR's most severe war against fascist Germany), it has not succeeded in surpassing capitalism in terms of many parameters of economic activity, social life and so forth. Capitalism as a system, contrary to how it was visualized at the end of the last and in the first quarter of the

present century even, not only has not exhausted all its possibilities but has been able (in its centers) to achieve a quite stable growth rate, secure a comparatively high living standard for substantial numbers of the population and to persuade broad working strata to view many phenomena of social life through the prism of bourgeois values.

It is well known also that from the viewpoint of the level of development of the economy, the organization of labor, production efficiency and assimilation of the achievements of S&T progress real socialism lags behind the centers of capitalism. In addition, in different periods of the development of real socialism there were serious social deformations and many acute social questions which were not resolved for years or resolved only partially, and the development of democracy and glasnost were held back. Serious difficulties arose in the development of the Asian socialist states also.

All this together led to the question of the path of social development (on which the most acute problems confronting the emergent states are tackled the more successfully) by no means being even for considerable numbers of the progressive community of these countries unambivalent. At the same time, however, we would emphasize particularly that there are in the "third world" powerful left, progressive, democratic forces which, as before, are devoted to socialism, although they invest this concept with far from always identical and, even less, far from always Marxist content, and which sincerely believe in the possibility of bypassing the capitalist phase of development on the way to building a society without man's exploitation of man.

In one way or another, the proposition concerning the propitious (and even exceptionally propitious) external factor for the development of countries along the path of a socialist orientation, which is pervasive in Marxist literature, is in need of reconsideration. In the broad context the question of the external factor is one of the place of socialism and capitalism at the present twist of the historical spiral. I refer here to a sober consideration of the possibilities of both systems and the actual correlation of forces between them now and in the foreseeable future.

Thus the contradiction between the as yet relatively limited opportunities of real socialism for influencing the course of world-economic development on the one hand and the need of countries of the "third world," including states of a socialist orientation, for markets for the sale of their export commodities and a powerful influx from outside of financial resources and modern technology and a variety of science-intensive services on the other continues. As also does the dilemma: either we allow of the possibility for this country or the other with predominant precapitalist relations overcoming, thanks to broad-based foreign aid, the historically determined progressiveness (formation, phase) of the social process, that is, a breakthrough to socialism, bypassing one or

several phases of development (but, we stress, within the framework of the broadly understood regularities of formational-phased evolution!), or we conceive of such a straightening of the path of historical progress and the "jumping" of one or several phases of natural historical evolution independently of the external factor and broad-based outside assistance. The latter, I believe, has nothing in common with a Marxist understanding of the noncapitalist transition to socialism.

III

It would, however, be wrong to regard the external factor, however important it is for a socialist orientation, in isolation from the internal conditions and level of development of this country or the other. And this, in turn, brings us to the law of formational-phased development, which, alas, many scholars have disregarded (not in words, of course) to this extent or the other. More precisely, have understood it at times extremely narrowly and primitively and have not always discerned cause-and-effect connections between the negative phenomena in a society which has long been proceeding along the path of socialism (the gravitation, for example, of some leaders toward the implantation of a worship of rank and an authoritarian style of management and the selection of personnel per the family-tribal, local affiliation and kindred principle, preservation of the in fact unequal position in the family of women, the buying and selling of office, highly responsible office included, and so forth) and the fact that this society has in its movement along the given path "omitted" one or two phases of natural historical development.

The problem, consequently, amounts on the one hand to easing the probable negative consequences of the breach of progressiveness and, on the other, considering the regularities of the social process, doing the maximum possible to compensate to this extent or the other on the "straightened" development path for the absence of what is "earned" naturally in the material and spiritual spheres in the fully or partially omitted phases. "A society, even if it has found the natural law of its development," K. Marx wrote, "...can neither jump natural phases of development nor abolish the latter by decree. But it can shorten and ease the birth-pangs."¹³

It was F. Engels who had the profound thought that "each given economic formation must tackle its own tasks arising from itself: setting about the accomplishment of tasks confronting another, utterly alien formation would be absolutely pointless."¹⁴ I believe that this thought is directly related to the problem in question in the sense that the socialistically oriented state also is objectively capable of tackling the socioeconomic tasks and implementing the transformations of an ideological and political nature to which it has "grown" from the viewpoint of its formational maturity (proceeding from the fact that the noncapitalist transition to socialism is subordinated to the general regularities of formational-phased development).

To what do I refer here? Some countries of a socialist orientation, say, are typified by attempts to nationalize not only large-scale but also medium-sized and even small private property and create political organizations proclaiming themselves working class, Marxist-Leninist parties. This under conditions where the objective prerequisites for the emergence of social forms of management are lacking, a proletariat has not taken shape, most serious tasks of national building have not been tackled and the young state is rent by tribal and religious-communal contradictions. This given that even the most politicized and socially active strata of the population are under the strongest influence of traditionalist forms of ideology (religion and a variety of tribal and communal views), which sharply limits the possibilities of the spread of the ideas of scientific socialism and serves as a nutrient medium for their vulgarization.

It would seem that neither the South African racists nor their imperialist patrons would have been able to have created such a powerful counterrevolution in Angola and Mozambique in the shape of UNITA and the MNR had these countries (which have many dozens of tribes frequently differing considerably among themselves in terms of language, culture and mutual hostility inherited from colonial times), countries which are socioeconomically undeveloped, managed to achieve ethnic and national consolidation. Had here the process of socioeconomic changes, as also of political and, particularly, ideological transformations, been correlated with the course of national-state building, the formation of new viable forms of management and the growth of the political consciousness of the masses and also with the consolidation of the positions of classes and strata capable of objectively serving as an adequate base for the regime of a socialist orientation and, in the shape of their foremost representatives, apprehending the ideas of scientific socialism and creatively applying Marxist-Leninist science under nationally specific conditions. This could have prevented not only the growth and consolidation of an armed opposition but also the disintegration of the national economy and the undermining of the foundations for the formation of a modern social and class structure of society and, correspondingly, for the activity of parties of scientific socialism and the spread of its ideas in the masses.

These are surface phenomena, so to speak. However, there are somewhat more complicated matters also. The accelerated transition to socialism of the former backward outlying regions of Russia, their actual "jumping" of the general democratic stage of development and the disregard for Lenin's proposition concerning the need for slower transformations on the way toward socialism of backward peoples are reflected still.

The trouble is, further, that the center of Russia also was only relatively developed in prerevolution times. The country as a whole had not fully negotiated the capitalist development phase and had embarked on the stage of the building of socialism with strong vestiges of feudalism in

the sphere of socioeconomic relations and the mass consciousness, lacking traditions of political democracy. Debate is now under way about whether a different, not Stalinist, model of socialism was possible under the conditions of post-revolution Russia. The debate has only just begun, but a number of scholars believes that an alternative command-administrative model of socialism, that defended by N.I. Bukharin, A.I. Rykov and others, for example, could have been implemented perfectly well.

True, it remains unclear why a model similar to the Stalin model also became a reality in other socialist countries with a comparable or lower level of socioeconomic, political and cultural development than in our country. Whether this model was seen as the standard, and our interpretation of Marxism-Leninism, as the sole correct interpretation, or whether there are, for all that, some regularities which in a backward country inevitably shape a model of society of the Stalinist type. Perhaps both together. In a word, there is much here still to be ascertained.

At the same time it is perfectly obvious to me that the administrative-injunction, bureaucratic model of socialism, in which socially regressive features came to stand out increasingly clearly and engendered mass corruption, the large-scale degeneration of the state and party upper stratum and, as a whole, condemned our society to stagnation. Brezhnevitis was the crown of this process. It is in the context of Brezhnevitis, I believe, that the events which occurred in our national republics should be seen.

"While attempting to understand the nature of the general character of the perversions for which our region was celebrated," the Kazakh writer O. Suleymenov writes, "we are assiduously avoiding mentioning a fundamental cause: our peoples bypassed the phase of capitalist development, when tribal and feudal institutions are lost and nations formed."¹⁵

The question should be posed more broadly, however. The problem is: what are the criteria of a society's formational maturity and how generally to determine them and, even more, apply them in practice. Whatever the case, the omission of this phase of natural historical development or the other contains much that is still unknown and, as a rule, is connected with considerable, already known, negative consequences for society. I will explain what I have in mind.

First, do we really know precisely what needs to be created in the material and intellectual spheres by way of "making good the omissions" of the natural phases of development lest history "avenge," so to speak, the arbitrary straightening of the historical path? Thus the problem of contemporary noncapitalist development has been under elaboration for approximately thirty years, and, seemingly, all aspects of this concept should be clear. However, the role of traditional institutions and the possibilities of the human factor have until most

recently been wrongly evaluated in the life of backward societies. Or, another example: we believed that once socialism had been built in former backward countries, they would develop in accordance with its laws and that their noncapitalist past could be forgotten.

But what has practice revealed? Specifically, in a number of areas of the noncapitalist transition to socialism in our country? That the past is still making itself felt and that society is gravitating on its own basis, without the corresponding impulses from outside, toward a regeneration of some of its presocialist attributes, if not worse even: there arises at times the danger of a distortion of the principles of socialism and its loss of most important features of a state for the working people and in the name of the working people and the fusion of part of the state and party machinery with the criminal world.

Second, from what level of formational development is successful progress along the path of a socialist orientation at all possible? The widespread viewpoint that it is possible from practically any level would seem to me mistaken. First of all, this is contrary to a scientific understanding of the regularities of social progress and the logic of Marxism-Leninism. There are on our planet thousands of tribes, and some of them are living under Stone Age conditions: in places cannibalism is still practiced even in our time. It seems to me to be a mockery of commonsense to maintain that Stone Age tribes could embark on the noncapitalist development path.

Reference is sometimes made here to the classics of Marxism-Leninism. Yes, F. Engels, for example, allowed that, in the event of the victory of a socialist revolution in the West, not only Russia but also many countries at the precapitalist development level could embark on a shortened path of progress toward socialism.¹⁶ But are references to the founders of scientific socialism correct in this case? After all, they proceeded from the fact that socialism would be victorious simultaneously in the world's most economically developed states. As far as V.I. Lenin is concerned, his theoretical position on this question was, as we have seen, practically identical to the view of K. Marx and F. Engels; if there are differences between them, they are connected with specific problems of the development of the former backward areas of our country.

I believe that the question of the level of formational development from which movement toward socialism, bypassing capitalism, is possible needs to be rethought. But this is a separate problem, and I shall not examine it in this article.

Third, what are acceptable costs for a society of the "straightened path" of historical development? It is a very serious question. It is practically unstudied in our literature. I shall permit myself to once again quote O. Suleymenov: "What is happening to us currently is an

answer to a task of the global experiment which we are undergoing: is it possible to painlessly bypass an entire historical stage? The results require interpretation."

Without examining them in detail, I shall point merely to a number of aspects. "Straightening" could be fraught for society with severe consequences. The Pol Pot business testifies to this (Pol Pot boasted that Cambodia would build communism before others).

The period of transition to socialism via a noncapitalist stage of development requires, as is known, a strong centralized authority—a dictatorship of the working people (this may also be called a dictatorship of the people or a revolutionary-democratic dictatorship, although it is not essentially, of course, a question of the name). Is such an authority, which is frequently actually not under the control of the people, capable of resisting the temptation to spearhead the machinery of repression not so much against the enemies of the revolution as for the struggle against dissidence and against any criticism of it whatever and to avoid the slippery path of voluntarism, permissiveness and tyranny under the flag of struggle for socialism and against its enemies? The objective conditions are conducive precisely to the establishment of an authoritarian power and the implantation of command-injunction methods of leadership. These are the extremely low level of socioeconomic, political and cultural development, religious-communal strife, tribalism (the Tropical African countries), separatism and the intrigues of domestic and foreign reaction.

We would note one further important aspect. However carefully considered and consistent the policy pertaining to the creation of the prerequisites of socialism at the noncapitalist stage of development is, it will never, it would seem, be capable of fully compensating for what is created over centuries in the course of the natural historical process. The shortage of material in the sphere of both material production and intellectual life "earned by history" will make itself felt all the while. The train of the "jump" across natural phases of development and of the "straightening" of the historical path will for a long time to come trail after the society which has, in the main, built socialism.

But the time has come to approach the question of the building of socialism in backward countries from another angle also: is the main thing for Marxists the creation at all costs of a system wherein the means of production are the property of the state? After all, there would then arise the very real danger of the transfer of power to a bureaucratic machinery. For this reason it is evidently insufficient to pose the question of whether the noncapitalist path may or may not lead to socialism. To what kind of socialism? People have to live in the society called socialist. And if for the ordinary man living therein is worse than under capitalism, what is the point of it? But this is a question of what is socialism. It has not been developed, as is known, with us either.

IV

The Marxist approach to the problem of noncapitalist development is a scientific approach, but science demands the practical verification of any theory, any concept. Let us, therefore, pose the question thus: what does practice show?

First, noncapitalist development, given favorable conditions, is in principle possible. This is indicated, we recall once again, by the example of the Soviet national republics and Mongolia. However, we must not forget that the surmounting of the age-old backwardness of the peoples of Soviet Central Asia and Kazakhstan was possible thanks to our state's tremendous material outlays and the direct and active mass participation of representatives of the most developed regions in the upsurge of the economy of the national republics, the elimination of illiteracy and the development of science and culture and in national-state building. This has to be mentioned for this is not only a historical fact but also a part of the experience of the noncapitalist transition to socialism which has been accumulated in our country. And experience cannot be divided into what may be mentioned and what should be glossed over.

It is essential also to bear in mind that, despite the almost 70 years of development along the new path, Mongolia could hardly be called a highly developed country and that expanded reproduction therein is secured, as is known, given the assistance of the CEMA states. This also is an integral part of the experience of noncapitalist development of the MPR.

Second, the process of noncapitalist transition to socialism is exceedingly difficult. Modern factories and plants, kolkhozes and sovkhozes, the existence of soviet organs of authority and public organizations and the surmounting of poverty and illiteracy do not in themselves always mean the full and final elimination of backwardness. The serious distortions of the principles of socialism and socialist legality in a number of the national republics testify that an end has not been put to backwardness there in the sphere of development of the human factor.

The human factor is, in my opinion, a pivotal and at the same time most complex problem of noncapitalist development. It is possible thanks to outside influence (given particularly favorable conditions) to develop the technological component of the productive forces in a backward country literally in a few decades. It is far more difficult to radically change a mass consciousness, system of value orientations, social hierarchy and tenor of life formed in the depths of feudalism and the family-tribal society. Traditional institutions which time has not erased aspire, we stress, to self-reproduction, and traditionalism tries everywhere to transform the new production relations in its own image and likeness. Are not the sources of khan-bai licence and the oriental despotism of considerable numbers of the ruling elite

and the bureaucracy on the one hand and the servile submissiveness of many ordinary workers on the other to be found in the preserved feudal, family-tribal ideology and social mentality?

Consequently, when we speak of the surmounting in a short time of age-old backwardness, we should not make an absolute of this. We need to see clearly the spheres in which it has really been overcome and those in which the struggle for its elimination is only just unfolding.

Third, we have no convincing evidence that a noncapitalist transition to socialism headed by revolutionary democracy may be accomplished in countries in which family-tribal relations are either predominant or strong. Nor is there proof, incidentally, that a socialist orientation "works" under conditions of states with relatively developed capitalist relations in which petty bourgeois revolutionaries are in power.

What do the facts say? In the least developed countries which at one time proceeded along or continue to proceed along a progressive development path it has not been possible to create an efficiently operating economic mechanism. The said countries have in fact demonstrated that about which F. Engels warned—stagnation or a slump even in the social mode of production given an attempt to socialize the means of production at a very low level of development.¹⁷ I do not in this connection entirely understand G. Mirskiy's fervor in the course of the discussion with Vl. Li, when he bemoans the fact that antiproperty, egalitarian, collectivist ideology cannot gain the upper hand in a socialistically oriented country in which the petty proprietor is defended, social inequality persists and so forth.¹⁸ Should it be a question of this when without the small and, yes, medium proprietor the state, under conditions of extreme backwardness, would be incapable of organizing normal economic activity? The direst lack of the most elementary commodities in day-to-day demand and, in a number of cases, the semi-starvation existence of considerable strata of the population (not least as a consequence of the destruction of the old forms of operation without their adequate replacement with new ones) are discrediting the very idea of a socialist orientation.

In the more economically developed countries of a socialist orientation (Algeria, Syria) the economy is functioning more successfully, but thanks to a considerable extent to the active, ever-expanding participation in economic life of private enterprise and also large-scale subsidies from the treasury for the unprofitable public sector thanks to oil revenues or foreign assistance. These countries will possibly find some other approach to the building of socialism different from those which are already known.

But what may be said about the socialist orientation by way of scientific forecast?

Certain international conditions for realization of the idea of noncapitalist development undoubtedly exist, primarily in the shape of the world socialist system. Even given the obvious inequality of the material possibilities of the two world social systems, some developing states may actually count on the assistance of the socialist countries. Only once again it is necessary to consider that the developing world is dozens and dozens of countries, in which the bulk of the planet's population lives. This in itself limits the possibilities of world socialism. Account has to be taken both of the present difficult situation in our economy and the paramount interests of the Soviet people expecting from perestroika a real improvement in their material and social situation and the entire set of our tasks in the international arena.

World capitalism need do nothing whatever for capitalism to develop in the emergent states (more quickly or more slowly, with this degree of crisis or the other)—it has largely been programmed by their colonial past and, more broadly, by the formational-phased nature of social progress. At the same time, however, colossal purposeful efforts and huge resources, which these countries lack, as a rule, are needed for the transfer of their economy to the tracks of development alternative to capitalism.

There is also no doubt that among the vast number of emergent states there are those which also have favorable internal prerequisites for embarking on the path of a socialist orientation. In other words, some group of emergent countries will, in my view, necessarily reach socialism by the noncapitalist path. But, it would seem, this will happen in instances of an exceptionally favorable combination of internal and external factors. And there will probably not be many such countries.

There is another aspect of the matter also. The movement toward socialism in the "third world" cannot be reduced merely to the socialist orientation. There are among the emergent countries many which have either attained a middle level of development of capitalism or are on the way to this. For this reason we should not rule out either the possibility of a socialist revolution in some developing states.

Further, does noncapitalist development in all instances represent the shortest path to socialism? Instead of an unequivocal answer, let us think a little. Some countries have been proceeding along a noncapitalist path for 20-25 years and even longer, but it is difficult to speak as yet of cardinal changes in an upturn in their national economy and the development of a modern social and class structure and class consciousness, in other words, in the creation of the prerequisites for socialism. At the same time, however, in roughly the same period of time the "new industrial states" have emerged on the capitalist development path. From the viewpoint of material-technical facilities and the social and class structure of society they are far closer to socialism than many of the countries which we put in the socialistically oriented category. For no socialism is conceivable under the

conditions of undeveloped productive forces and a pre-capitalist social and class structure and, primarily, without a well-formed and politically mature proletariat and in an atmosphere of the domination of traditional forms of ideology and mass consciousness.

Nor should democratic revolutions be forgotten either. Given certain conditions, they also could open the way to socialism. Decisive significance here will be attached not only to the correlation of social and class forces within the country but also the existence of propitious external conditions.

An extension of our ideas concerning the present-day socialist orientation is impossible, in my view, without the serious elaboration of the problems of real socialism, a comprehension of the experience of noncapitalist transition in our Central Asian republics and Kazakhstan (only avoiding oversimplification and concealment of "disadvantageous" phenomena and facts, in all their complexity, and the contradictoriness of the process and with regard for omissions and losses) and a serious collation of the accumulated experience of the socialist orientation. Why is study of the period of the transition to socialism in our country necessary?

When one analyzes the development of certain Asian socialist states, one inevitably concludes that the sequence of socioeconomic transformations, the duration of the general democratic stage and the actual transition period and much else associated with the transformation of early-capitalist into socialist societies bear the profound imprint of the experience of the USSR, which has been seen as a kind of standard. To a certain extent this applies to the countries of a socialist orientation also.

Unfortunately, it has to be affirmed that owing to the lag of our theoretical interpretation of the problems of the social progress of the emergent countries, on the paths of noncapitalist development included, and owing to the dogmas and outdated ideas imposed from above for decades and the attempts to emphatically cut short "dissidence," we now lack a clear idea of what might represent a positive program of socioeconomic transformations. After all, such forms as production cooperatives, state livestock sections or state-owned enterprises are under the conditions of the emergent countries far from always the best form of management and are nearly always unprofitable. How can there be talk here of higher productivity than under the conditions of the capitalist development path?!

I believe that we need to study very closely the Yugoslav and Chinese experience and the shoots of our own experience in respect of new types of joint labor, the leasing of enterprises to cooperatives, various family or homestead contracts and so forth. Yes, it is evidently necessary to also scrutinize more closely the experience of the capitalist countries, particularly as far as the

development therein of supply-sales cooperatives is concerned. Continuing to maintain that all is well with us concerning the elaboration of problems of a socialist orientation, as some social scientists do, means having nothing in common either with science or with the actual requirements of political practice.

The main task, probably, is to ascertain the minimum "work for capitalism" (as also for all preceding formations) which must in a particular sequence necessarily have been done at the noncapitalist stage of development without which the building of socialism is inevitably attended by serious negative consequences. It stands to reason that this work is the internal concern of each country with a revolutionary regime, but it is obvious also that such work cannot be successfully completed without the broadest and closest connection with the countries of victorious socialism.

Footnotes

1. See, for example, MEMO No 5, 1987; AZIYA I AFRIKA SEGODNYA No 8, 1987, pp 26-33; No 10, pp 22-26. Debate on problems of the socialist orientation has been conducted in the USSR Academy of Sciences Africa Institute (October 1987) and the Oriental Studies Institute (March 1988).

2. It is to be regretted, however, that some social scientists are still resorting to the pinning of political labels on their scientific opponents and unfounded accusations concerning the denial of a socialist orientation as such, buttressing them with the repetition of propositions not borne out by historical practice concerning the essence and particular features of noncapitalist development. See, specifically, A. Kaufman, R. Ulyanovskiy, "The Question of the Socialist Orientation of the Emergent Countries" (AZIYA I AFRIKA SEGODNYA No 5, 1988).

3. I believe that it would hardly be expedient in this article to point to specific works and personalities for the main reason for the not always scientific approach to problems of noncapitalist development is rooted in the state of our social science, authoritarian methods of the leadership of research establishments, an absence of glasnost and limitations on democracy in the stagnation years.

4. This does not mean in the least that all scholars went along with the vulgar interpretation of the problem of noncapitalist development or that different views were not expressed on this phenomenon.

5. K. Marx and F. Engels, "Works," vol 35, p 298.

6. V.I. Lenin, "Complete Works," vol 41, p 246.

7. K. Marx and F. Engels, "Works," vol 22, p 446.

8. Ibid., vol 35, p 298.

9. V.I. Lenin, "Complete Works," vol 41, p 245.

10. Ibid., p 246.

11. See dialogue of V.I. Li and G. Mirskiy (AZIYA I AFRIKA SEGODNYA No 8, 1987).

12. See K. Marx and F. Engels, "Works," vol 9, pp 224-230.

13. K. Marx and F. Engels, "Works," vol 23, p 10.

14. Ibid., vol 22, p 445.

15. LITERATURNAYA GAZETA, 9 March 1988.

16. K. Marx and F. Engels, "Works," vol 22, pp 445-446.

17. Ibid., vol 18, pp 537-538.

18. See AZIYA I AFRIKA SEGODNYA No 3, 1987, p 28.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".

"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Positive Changes in Japanese Nationalist Feeling Seen

18160004h Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 11, Nov 88 pp 73-79

[Article by Vitaliy Mikhaylovich Gaydar, candidate of philosophical sciences, acting senior scientific associate of the USSR Academy of Sciences IMEMO: "Nationalist Ideology in Present-Day Japan"]

[Excerpts] There has in the 1970's-1980's been a marked growth in the world press in the attention paid to the ideology of Japanese nationalism. Publications on this subject analyze the reasons for its stimulation and examine the activity of the organizations conducting nationalist propaganda and their aims and methods of influencing the frame of mind of the people's masses. The mechanism of the use of the national traditions of the Japanese as conduits of reactionary ideology has been a subject of investigation in many works. At the same time, however, a number of questions has in the study of this subject been illustrated insufficiently fully, in our view. They include the philosophical bases of nationalism in Japan determining the specifics of its forms, the correlation of these specifics with features of nationalism common to Japan and other countries and the degree of the population's receptivity to nationalist propaganda. The article offered for the readers' attention attempts to analyze, if only in most general outline, the said aspects of this topical problem.

The Proposition Concerning the 'Exclusiveness' of the Japanese Nation

The phenomenon of nationalism in Japan is interpreted by many Western observers in highly one-sided fashion. Predominant in their works is the opinion according to which nationalism is some inalienable component of the Japanese character experiencing periods of rise or fall depending on economic, political, military and other successes or failures of the country. Whence the conclusion that its present resuscitation has been caused by Japan's achievements in the sphere of material production, specifically, by the high rate of development of industry, science and technology, thanks to which the country has emerged in the one of the first places in the world in terms of economic potential.

"Throughout Japan's history," (D. Nanto), a staff member of the U.S. Atlantic Council, observes, "the pendulum of its national mentality has swung between perceptions of inferiority and superiority to the rest of the world. The black ships of Commodore M. Perry, which introduced Japan to guns and new industrial technology, gave rise to a feeling of inferiority in the country. They existed until military victories in Asia replaced them with a feeling of superiority. The defeat in 1945 confounded these ideas, but now Japan's morale is once again changing in the direction of a superiority complex."¹ According to (T. Tertsani), the author of an article published in the West German weekly DER SPIEGEL under the characteristic title "You Will Still Never Understand Japan," "the new wealth has made the Japanese arrogant, and their traditionally hostile attitude toward foreigners is now being displayed more shamelessly than before."²

Such evaluations, which are appealing in their ostensible effectiveness, give rise, however, to serious objections. The entire nation is depicted in them as some indivisible community counterposing itself to the entire outside world and feeling by no means friendly toward it. And this, in turn, cannot fail to contribute to the formation overseas of a negative idea of the Japanese and their country. Considering the fact that for significant numbers of the West's business circles Japan is a serious competitor successfully putting the squeeze on their products on the world market, the presence in these circles of anti-Japanese sentiments is not surprising. Extensive propaganda of such sentiments by the mass media under the conditions of economic struggle could also be a weapon of the competitor's psychological isolation and the creation for him of additional, nontariff barriers.

At the same time, however, it cannot be denied that certain circles in Japan itself are also contributing to a tremendous extent to the appearance overseas of assessments of the Japanese as congenital nationalists. Articles and monographs laying claim to a scientific approach which are published in the country in huge editions are fanning the proposition concerning the Japanese nation

as a unique phenomenon in world history and the "fundamental" difference in the thinking and behavior of Japanese and representatives of other peoples. Virtually the greatest notoriety in this connection has been attached to the book by Tokyo University staffer T. Tsunoda "The Japanese Brain: Uniqueness and Universality," which was published in the mid-1980's and which maintains that the psychological specifics of the Japanese nation are predetermined by anthropological singularities, in particular, an arrangement of the brain of Japanese which is different to that of other people.

Taking such pseudo-scientific conclusions as the basis and explaining the successes of the country's economic development by the "uniqueness" of the Japanese mentality, many reactionary ideologists are speaking not only of the "specific features" and "distinctiveness" of the Japanese but also of their "exclusiveness" and "superiority" to other nations, whence their right to leadership in the modern world. This is largely reminiscent of the ideological principles of the forces which ruled the country in the 1930's-first half of the 1940's.

"The Japanese are the only people in the world who can point the way to peace and prosperity to other peoples," "the history of Japan will be world history." These and similar statements began to appear increasingly often in the works of ideologists of Japanese nationalism as of the start of the 1970's. However, belonging to persons who did not hold official positions, these assertions were perceived as an expression of private views. Subsequently, however, arguments concerning the "uniqueness" and "exclusiveness" of the Japanese have become frequent in the country's top political echelons also. Just about the most scandalous nature in this connection was attached to the statement made in the fall of 1986 by former Japanese Prime Minister Y. Nakasone to the effect that his compatriots, being an ethnically "pure" nation, were intellectually superior to Americans since the U.S. population has a great proportion of negroes and persons from Latin America.

Thus a whole number of realities of Japan's ideological life seemingly confirms the quoted evaluations of Western observers. However, in order to ascertain the true place of nationalism in the life of the Japanese sight must not be lost of the fact that the concept "nationalism" is used in respect of two far from coincident phenomena. One is the ideology propagandized by circles interested in spreading nationalist views in the masses and their policy on the nationality issue. The other is a frame of mind capable under the impact of such ideology and policy of taking possession of the consciousness of significant numbers of the people's masses, and in some historical situations, the majority of the nation. Witnessing a stimulation of the activity of the ideologists of nationalism, foreign observers today very often take this to be an expression of the frame of mind of the nation as a whole. In reality, however, the exponents of nationalist

ideology are forces which, although performing a substantial role in the country's political life, by no means, in our view, reflect the views of the majority of the population.

'Fundamental Values' and Public Opinion

Speaking of the influence which nationalist ideology exerts on broad strata of the population, it should be borne in mind that it has the tremendous propaganda machinery of the state at its disposal. As a result there arises a situation similar to that described by K. Marx and F. Engels in "German Ideology". "The thoughts of the ruling class," they observed, "are in each era the predominant thoughts. This means that the class which represents the predominant material force of society is at the same time its predominant spiritual force also. The class which has at its disposal the means of material production possesses at the same time the means of spiritual production, and by virtue of this, the thoughts of those who lack means for spiritual production are generally subordinate to the ruling class."¹⁴

The presence of the main "means of spiritual production" in the hands of the exponents and proponents of nationalist ideology predetermines this ideology's serious influence on significant circles of Japanese society. However, such means are possessed also, albeit to a lesser extent, by forces in the country dissociating themselves from bourgeois nationalism and combating it. This struggle unites people frequently operating from ideological positions which are very far apart—from proletarian internationalism through religious pacifism and cosmopolitanism.

The ideological opposition to nationalist propaganda on the part of a number of opposition parties and movements together with the weakening of the influence on the population of the vestiges of archaic morality, on which this propaganda largely relies, is undoubtedly limiting the sphere of influence of nationalism in the country. Judging the actual framework of this sphere is quite difficult. Many foreign observers include among the nationalists Japanese who are far from national arrogance, but who experience a legitimate feeling of pride in economic and other achievements of their homeland, value its cultural heritage and are ready to defend it in the event of danger, that is, people adhering not to nationalist but patriotic positions. In turn, Japanese nationalists nearly always call the views they confess "patriotism". As a result it is very difficult evaluating the results of sociological studies on problems of national self-awareness. Thus in the course of a public opinion poll in 1987 the majority of Japanese declared for the first time since WWII a preponderance in them of patriotic feelings. Conclusions appeared in the Western press in this connection concerning the growth in Japan of nationalist sentiments.

However, as is known, nationalism and patriotism must in no event be equated. Manifested, according to V.I. Lenin, as "a most profound feeling enshrined by centuries and millennia of solitary fatherlands,"¹⁵ genuine patriotism means love of the homeland, devotion to it and an aspiration to serve its interests and fight for the sovereignty and equality of one's fatherland given simultaneous recognition of and respect for the legitimate rights and interests of other countries and peoples. In nationalist ideology, on the other hand, the rights and interests of other countries and peoples are ignored or denied altogether.

A document providing material for the conclusions concerning the spread of the ideology of nationalism were the results of an opinion poll conducted in May 1986 in connection with the 60th anniversary of the accession to the throne of Emperor Hirohito. Compared with other sociological studies, this poll reflects the current situation more accurately, perhaps, inasmuch as emperor worship is a fundamental attribute of nationalist propaganda.¹⁶

Of the persons who took part in the poll, 55.5 percent declared that they "revered" the emperor or had a "sympathetic attitude" toward him. The rest expressed a negative or indifferent attitude toward the monarch or gave no answer (there were few—4.6 percent—of the latter, incidentally). The proportion of those who expressed a positive attitude toward the monarch changed by age group thus: 60 and over—83.5 percent; 50-59—71.9; 40-49—49.4; 30-39—35.6; 20-29—31.4 percent.¹⁷

It should be borne in mind that far from all who expressed a positive attitude toward the emperor may be put in the category of unconditional supporters of nationalist ideology. Many people are impressed by the emperor simply as a personality, and for many people reverence in respect of the ruling house is associated with traditions lacking in political and ideological nuances, religious included. On the other hand, it would be a great oversimplification to consider the absence of positive emotions in respect of the monarch an indicator of a total nonacceptance of nationalist ideas. However, such a position undoubtedly reflects the negative or indifferent attitude of considerable numbers of those polled (and among persons aged 50 and under, the majority) toward the values which are among the fundamental values in the arsenal of nationalism.

The attitude toward the plans for a buildup of the country's military potential could also serve to a certain extent as an indicator of the degree of acceptance of nationalist ideology for there is a long-standing and stable relationship in Japan, and not just in Japan, between the ideologies of nationalism and militarism. For the most consistent and active nationalist circles in Japan militarist ambitions are a traditional constituent

of their political views. At the same time, on the other hand, those advocating the country's conversion into a strong military power constantly appeal to the national feelings of Japanese.

A public opinion poll conducted by the newspaper ASAHI to ascertain the population's attitude toward the plans for an increase in the proportion of military spending in the 1987 fiscal year to a level in excess of 1 percent of GNP is of interest in this connection. Only 15 percent of those polled supported abolition of the 1-percent limit, 61 percent were opposed and the remainder gave no definite answer. Even among supporters of the ruling Liberal-Democratic Party, which had initiated the increase in military spending, only 25 percent of those polled supported abolition of the limit, while 48 percent were opposed.

The results of this and similar polls are reason to believe that nationalist sentiments do not have possession of the consciousness of the majority of Japan's population. Even if it is assumed that some of the Japanese who not did express a positive attitude toward the emperor and the plans for an increase in the country's military potential share certain propositions of nationalist ideology, their views are, for all that, far removed from what could be called militant nationalism.

Transition to a New Quality?

Granted all that has been said above, it is not legitimate, however, to deny the fact that the ideology of nationalism in Japan has, as before, a substantial sphere of influence: the philosophy of considerable numbers of the country's population is shaped under its influence. However, it is this fact which is confronting Japanese business and ruling circles with a whole number of serious problems forcing a reconsideration of certain aspects of strategy in the ideological sphere.

The first group of problems is connected with the non-correspondence of the personality of the workman shaped by traditional means of nationalist propaganda to the new economic conditions. "As Japanese specialists themselves acknowledge," the Soviet scholar B. Pospelov observes, "the vaunted group exclusiveness is inevitably leading to a leveling of the personality and its interests and impeding broad social relations. Yet the demands of the S&T revolution have raised the significance of the human factor in the production process and are forcing monopoly capital to find additional ways and means for the molding of the workman of the new type free of the conventionalities of traditional standards of behavior."¹⁸

The second group of problems is born of the difficulties arising among Japanese raised in a spirit of national exclusiveness in the sphere of business contacts with overseas partners. This is becoming an essential factor curbing the further stimulation of the country's economic activity on the international scene.

The said factors forced the authorities to undertake in the mid-1980's the development of a strategy pursuing the goal of the "individualization" of the consciousness of the Japanese. The molding of the "gentle individualism" of the personality of a limited nature, as a counterweight to the "strict individualism" of the Western model, is envisaged on this path.

At the same time, however, the proposition concerning the "uniqueness" of the Japanese nation developing into the preaching of its "exclusiveness" has not only engendered among some Japanese a feeling of reserve and alienation from the outside world but has been the reason for the spread as of the 1970's of unfavorable ideas about the country overseas. This has been reflected, specifically, in the above-mentioned publications of Western authors. A way in which attempts are being made to tackle the problem has been a set of measures pursuing the goal of increasing and expanding foreigners' familiarization with the history, culture and particular features of the national mentality of the Japanese. To this end, in particular, the government adopted a decision on the creation of a Japanese studies institute. As Prof T. Umehara, who is well known in Japan, emphasized and who has been entrusted with leadership of the institute, "our task will be to reveal the particular features of Japanese culture and familiarize mankind with them."¹⁹

Such an idea may only be welcomed, of course. In an era of the rapid development of international political, economic and other relations and mankind's growing recognition of the urgent need for the joint solution of problems common to all inhabitants of the planet (such as that of survival in the nuclear age, the ecology and much else) activity geared to an extension of peoples' acquaintance with one another's culture and the surmounting of the ethnic and psychological barriers between them could perform a tremendous positive role. And it would be useful in this plane to satisfy the growing interest in Japan as a country whose people have in the course of their historical development created many outstanding literary and artistic monuments and accumulated valuable experience in the development of the economy, science, technology and education. The capacity of the Japanese displayed in the process of the country's industrial development, while borrowing and effectively assimilating the achievements of world civilization, for preserving their spiritual culture and their national distinctiveness merits serious attention.

Do the said changes in the views of Japan's ruling circles signify a departure from the nationalist principles which long occupied the predominant position in the country's ideological life? Categorical assertions in this connection would be premature. Nonetheless, there is no doubt that in the modern era, when the idea of the community of the destiny of mankind is becoming firmly established on our planet, the groundlessness of nationalist ideology

and its incompatibility with the demands of the times and the interests of all countries and peoples are being manifested increasingly graphically.

Footnotes

1. See THE JAPAN TIMES, 11 May 1987.
 2. DER SPIEGEL, 12 January 1987, p 116.
 14. K. Marx and F. Engels, "Works," vol 3, pp 45-46.
 15. V.I. Lenin, "Complete Works," vol 37, p 190.
 16. For example, in the mid-1960's even the reactionary ideologue H. (Maeda), proclaiming the inseparable connection between nationalism and monarchism, was asserting that Japan "possesses a national character which cannot be compared with any other country precisely because the focal point and basis of its national feelings is the emperor as the symbol of the nation. The character of the nation will remain such eternally" ([KEYEYSYA] No 2, 1964, p 17).
 17. See for more detail ([DZIDZI ERON TESA]) NO 401, 1986.
 18. MEMO No 2, 1988, p 108.
 19. Quoted from DER SPIEGEL, 12 January 1987, p 122.
- COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Reply to Pevzner on Competition: 'Global Crisis' Seen

18160004i Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 11, Nov 88 pp 80-86

[Response from Gennadiy Dmitriyevich Danilin, candidate of economic sciences, senior scientific associate of the USSR Academy of Sciences Social Sciences Scientific Information Institute, in political economy debate: "The Productive Forces and the Problem of the Subject of Political Economy"]

[Text]

As expected, there were many responses to Ya. Pevzner's article "New Thinking and the Need for New Approaches in Political Economy" (MEMO NO 6, 1988). We offer for the readers' attention the first of them.

"...The more boldly and decisively science acts, the more it comes into line with the workers' interests and aspirations" (F. Engels).

The development of the new economic thinking requires the preliminary solution of an important methodological question: the choice of scientifically substantiated methodology of the research. In Ya. Pevzner's interesting and not always incontrovertible reasoning the point of departure methodologically is the sacramental problem of the subject of political economy.¹ How many intellectual images have already been demolished around it! But this subject is still interpreted variously even in the "Economic Encyclopedia" and "Political Economy" dictionaries. For example, the "Encyclopedia" understands as the subject of political economy "production relations in inseparable connection with the productive forces determining them."² The "Dictionary" detaches the subject of its study from the productive forces. In the opinion of its authors, political economy studies only "social relations between people taking shape in the process of the production, distribution, exchange and consumption of life's benefits."³

It is gratifying to note that Ya. Pevzner defends the need for us to see "political economy as the science not only of production relations but also of the latter's interaction with the productive forces."⁴ The proposal which he expresses concerning the "theoretical elaboration of the real regularities of economic dynamics which entail the progress of engineering, technology and the organization of production"⁵ merits the utmost support in this connection. In the latter case he expresses, albeit in implicit form, a more precise idea (as distinct from the vague "interaction" of the two categories in question) concerning the primary, that is, "cause," nature of S&T progress and the secondary, that is, "effect," nature of economic dynamics.

Inasmuch as the mode of production represents the inseparable unity of the productive forces and production relations, the "methodology" of study of production relations, which is still predominant in political economy, in isolation from the development of the productive forces has to be recognized as a sorry historical oddity. True, some publications take issue with it, but they have remained voices in the wilderness. Thus V. Kushlin wrote not that long since: "...Production relations cannot be understood in separation from the development of the means of production." He emphasized "the impermissibility of the separation of the productive forces and production relations in the study of economic problems."⁶

The neglected state of the problems of the productive forces is evidenced by the fact that scholars discern in their structure from two to seven and more components. Whence it follows, in our view, that, when formulating the new economic thinking, the priority task should be considered the creation of a Marxist-Leninist theory of the productive forces and study of the regularities of S&T progress, which K. Marx left out of the content of "Das Kapital".

We can no longer tolerate the productive forces category remaining the Cinderella of the social sciences. Political economists scorn it on the pretext that a substantive study of this category is a matter for the technical sciences. Philosophers (historical materialists) use it merely to explain the regularity of the change of social and economic formations. Specialists in scientific communism need it merely to characterize the material-technical base of communism and the man of the future society. But no one needs it in the role of fundamental category of all social science disciplines. A homeless category! Is it not time to recognize it as an equal mistress in our political economy house?

Exhaustion of the Potentiality of the Traditional Productive Forces

The new economic thinking must proceed methodologically from an objective, scientifically authentic and, preferably, incontrovertible evaluation of the state of the global system of the productive forces such as it has taken shape toward the end of the 20th century. By what fundamental traits is it characterized? Let us study as an example the basic spheres of man's activity—industry and agriculture—supplying the bulk of the consumer benefits necessary for the reproduction of mankind.

In the final third of the 20th century the system of the productive forces of industry based predominantly on the technological use of the laws and principles of mechanical motion has entered a period of crisis, which is manifested primarily as a crisis of a natural-science nature. In the sphere of the traditional **implements of labor** it is expressed in the achievement of the maximum values of productivity, power, speed, high-speed response and so forth. For example, the average speeds of automatic lathes has stabilized at the level of 300-700 revolutions of the spindle per minute. For powered looms 5 meters of cloth per hour is an uncrossable frontier. The speed of the fastest sewing machines constitutes 4,500 stitches per minute. In chemical engineering a temperature of the order of 3,000-4,000 degrees Celsius and a pressure of up to 300,000-500,000 atmospheres are considered the maximum possible. The productivity of the equipment which is the most widespread in chemical engineering—reactors with mechanical and pneumatic mixing—has reached the maximum values, and, specialists believe, there are no grounds for anticipating a significant rise therein.

Since the olden days in agriculture operations have been performed in the fields at a speed of 4-5 km per hour. The thousand-year-old principle of the cotter, which does not allow the 7-10 km per hour barrier to be exceeded without a lowering of the quality of the working of the land, is embedded in the operating elements of all soil-tilling implements. The speeds of harvesting equipment are low. The limits of the intensification of the operating processes of grain combines have been reached. An increase in the speed of rotation of the threshing cylinder destroys the grain. The optimization

of the performance of production operations in cropping by mobile equipment is possible only to a limited extent inasmuch as the level of its development from the viewpoint of operating speeds, width of capture of the units and size and bulk of the machinery are close to the limit.

The theoretical possibilities of an increase in the size, power, carrying capacity, speed of movement and so forth of the traditional **means of labor** have almost been reached. A most important role among these is performed by transport facilities, in which the wheel is used as a support and engine. This applies primarily to railroad transport, which accounts for a substantial amount of freight turnover. Other means of transport have reached or are approaching the limit of their speed-increase potential. The crossing of these frontiers will be achieved thanks to the creation of high-speed ground transport on magnetic suspension and an air cushion, pipeline transportation with the use of air, vacuum or pulp, electromagnetic hydrodynamic pumps and dosing apparatus and so forth.

The crisis of traditional **energy sources** is being manifested primarily in the stabilization of their efficiency. For thermal power plants—the main energy producers—it has been established at a level below 30 percent. The highest efficiency of the world's thermal power plants which has been achieved is 41.5 percent. The efficiency of nuclear power stations does not exceed 33 percent on average.

Methods of the direct, nonmachine conversion of primary types of energy into electrical energy by thermoelectric, thermoelectronic, magnetohydrodynamic, electrochemical and photoelectric methods have in recent years become a rapidly developing field of technology.

The crisis of the **subjects of labor** is manifested not only in the exhaustion or relative depletion of a number of minerals but also in ascertainment of the limits of an increase in the qualities and properties of the materials obtained from them. Specialists believe that the possibilities of a further enhancement of the physical and chemical properties of traditional materials are very limited since their production is based on the principle of the use merely of the natural properties of the subjects of labor. The natural qualities of raw material no longer correspond in a number of instances to the demands made on them.

In view of the relative stabilization of the further growth of the basic properties of traditional materials—strength, hardness, viscosity, purity, anti-corrosiveness, resistance to high and low temperatures and so forth—scientists are engaged in the search for and development of new classes of materials possessing a set of structural and special properties practically unattainable in traditional metals, alloys and polymer materials. The quantitative and qualitative shortcomings of structural materials are being overcome by way of the creation of composition

materials, that is, those to which reinforcing elements have been introduced. Special industrial ceramics has already become a "third industrial material" together with metals and plastics. Nontraditional methods of recovering, obtaining and producing substances with set properties, which are superior to the properties of natural minerals (higher purity, consummate structure and so forth), are emerging. The designing of an entirely different substance, which does not exist at all in terrestrial nature, is on the agenda.

In connection with the growth of population and also the quantitative and qualitative elevation of requirements the 1970's-1980's have become a time of the ascertainment of the maximum possibilities of **basic biological systems** which are the main sources of foodstuffs for people and raw material for industry: forests, pasture, arable land and the oceans.

The forest plays a tremendous part in the world's economy. At the start of the 1980's there were approximately 4.89 billion hectares of forest in the world. Forest resources are not only raw material resources but also a most important factor of soil preservation and the optimum hydrological conditions and guaranteed favorable conditions for flora and fauna. The forest preserves mountain slopes from destruction, and water-storage basins, from pollution.

In the past 500 years man has wiped out up to two-thirds of the forests which covered the Earth. As a result many regions of the planet and entire states even have been deprived of their green resources.

One of the grimmest consequences of the destruction of the forests has been the reduction in the area and sharp fall in the productiveness of pasture. Pasture has an important role in the production of the most valuable food products (meat, milk, butter, cheese and so forth), energy for agriculture (one-third of the world's sown areas is tilled by draft animals) and raw material for industry. It occupies approximately 2.5 billion hectares of dry land. Pasture makes it possible currently to keep over 2.7 billion domestic ruminants, including 1.2 billion head of cattle, 1 billion sheep, 400 million goats and more than 100 million buffalo.

The fewer the forests, the more arable and pasture, seemingly. Reality refutes this logic. The consequences of deforestation have been disastrous for both arable and pasture. On the areas which have been felled the upper fertile soil layer is washed away by the rains and blown away by the wind, the land becomes degraded and the grass cover of the pasture grows sparse.

In many countries the area of land used for food production is being reduced owing to the excessive grazing of livestock.

Animal husbandry is directly dependent not only on the state of the pasture but also on the condition of **plowland**, from which the bulk of the fodder used to support the livestock for the greater part of the year is obtained. Grain is the basis of people's subsistence.

However, the areas of plowland are being reduced absolutely and relatively for a number of reasons: soil erosion under the impact of water and wind; impoverishment of the soil cover from natural causes or as a result of the application of incorrect agrotechnical methods; the salinization or leaching of the soil caused by both natural factors and man's activity; the chemical contamination of the soil and the accumulation therein of toxic substances; the use of land suitable as arable for the construction of buildings, mining, expansion of the transport system and the laying of communication lines and also for dumps and the conversion of cultivable land into worthless land as a result of the unchecked or immoderate use of fertilizer, herbicides, pesticides and disinfectants; an increase in soil acidity as a consequence of the precipitation of "acid rain"; and so forth.

A simple increase in the cultivable area will not solve the food problem. For this reason science is seeking new ways of obtaining foodstuffs for the world's growing population with the aid of nontraditional methods. The time has come for the next step forward in the expansion of the food base of modern civilization. This step consists of the industrial cultivation of the lowest forms of life—microorganisms—created both by way of selection and genetic engineering.

An important role in providing mankind with diverse valuable foodstuffs belong to the **oceans**. Catching annually 70-75 million tons of fish, mollusks, algae and other products, mankind secures approximately 20 percent of its animal protein requirements. Ocean products are used as raw material for obtaining high-calorie feeding meal for animal husbandry and poultry breeding. Its world production amounts to 4.5 million tons per year.

In the period 1950-1970 the average annual increase in the ocean fish catch amounted to 5 percent on average and increased over threefold in this period: from 21 to 70 million tons. However, the world catch has in recent years stopped growing. This indicates that the natural possibilities of reproduction of the fish shoals has reached its limit. The customary methods of operating and catching only the traditional objects of fishing are incapable of more.

By the mid-1980's there had been an intensification of the contradiction between the world's rapidly growing population's animal protein requirements and the relatively stable (and in places, diminishing) productiveness of the oceans. As a result there had been a change in people's attitude toward the oceans as a bottomless store of nature's gifts. A situation where an orientation solely toward the natural restoration of the ocean resources is becoming unacceptable has come about. The need for

the creation of a new sphere of economic activity—artificial reproduction of products of the sea at special marine enterprises (mariculture)—has arisen. The preservation of and increase in the productiveness of the oceans are becoming increasingly dependent on international cooperation, and not on the adoption of unilateral measures by individual countries or groups thereof.

Aside from purely quantitative limitations, the above-mentioned basic biosystems (forests, pasture, arable, the oceans) also have very appreciable qualitative limitations.

Agricultural production (plant growing and animal husbandry) is based on biological processes at the intercellular and intracellular levels which are accomplished in accordance with the controlling influences of the carriers of genetic information—molecules of deoxyribonucleic acid (DNA). These processes experience the influence of the means and conditions of labor. The fundamental basis of the productiveness of agricultural production is the natural biological productiveness of the plants and animals. As they have come to know the laws of nature and the laws of evolution of the plant and animal world, people have learned not only to make fuller use of their natural productiveness but also to increase it within certain limits by selection. Thanks to the natural and artificial selection of the traditional types of plants and animals performed by man over millennia, their productiveness has as of the present time reached its biological limits.

The limits of an increase in the yield of certain agricultural crops for a specific variety and given soil composition and climatic conditions have been reached. Science has ascertained the optimum density of the sowing of seeds of various agricultural crops.

What has been said permits the conclusion that traditional biological systems and processes in plant growing and animal husbandry and also the ocean biosystems have from the viewpoint of the historical long term exhausted, in the main, their potential for an increase in productiveness. There is therefore an urgent need for the transition to fundamentally new and qualitatively different types of biological organisms and ecosystems for obtaining food. In the final decades of the 20th century the traditional biological processes and systems are becoming in their most important parameter—productiveness—unacceptable for man.

The said changes in the traditional system of productive forces testify that the possibilities of its extensive development have been practically exhausted. In the 1950's-1960's the growth of the world economy constituted approximately 5 percent per annum. In the 1970's it declined to little more than 3 percent, and in the 1980's has sunk almost to 2.3 percent. In order to achieve a high growth rate it is now more essential than ever to use factors of the intensification of production providing for

a manifold increase in social labor productivity. Many means for the achievement of this goal have already been found by science, others will be found.

The 'Society-Productive Forces' Contradiction

The global crisis of the traditional system of the productive forces which mankind has encountered in the final decades of the 20th century has been caused by a number of factors, the principal ones of which are the growth of population and its increased quantitative and qualitative requirements; the collapse of the colonial system of imperialism and the enlistment in international economic turnover, which followed it, and the process of the industrialization of the new territories and peoples which have gained national independence; the exacerbation of economic and political contradictions among the three main centers of interimperialist rivalry (the United States, West Europe and Japan); the arms race instigated by the United States and other imperialist states.

Given a superficial view, global problems of the social-natural type (the problem of resources, energy, food, the environment and so forth) pertain to the "society-nature" class of contradictions. However, this is fundamentally wrong. The contradictions in question pertain to the "society-productive forces" class of contradictions, and not to "society-nature". The essence of this contradiction is by no means the fact that man of our century has entered into antagonistic contradiction with nature, having exhausted all its potentialities, but the incapacity of the traditional productive forces for satisfying people's growing requirements. In other words, the objective properties of matter embodied in elements of the present-day productive forces and the laws of nature have exhausted their potentialities and have for this reason become no good to society. There arises in this connection not the "whether mankind shall live or perish" dilemma but an urgent and inexorable need to replace the elements of the system of the productive forces which have exhausted their potentialities with qualitatively new ones which embody higher properties of matter and forms of its movement. More pertinent now than ever are F. Engels' words: "The productive power at mankind's disposal is unlimited.... With every passing day science is increasingly subordinating to people the power of nature. This boundless productive capacity, used consciously and in the interests of all, would soon reduce to the minimum the labor which falls to the lot of mankind...."⁷

Bourgeois scholars studying global problems frequently see them as particular crises which have arisen against the background of the constantly developing economy of capitalist countries, which is allegedly in a "healthy" state. The true source, however, of the global problems of the present day is not the crisis state of individual components of the system of the productive forces but the crisis of this system as a whole. It is a global crisis of the productive forces developing not only on the basis of economic but also natural-science laws.

The crisis of individual functional components of the reproduction process is serving as a pretext for a revival of Malthusian theories concerning the exhaustion of the productive possibilities of mankind and the Earth. However, history testifies to the reverse: the achievement of the maximum potentialities (crisis condition) of the traditional system of the productive forces is leading not to the demise of mankind but to a new surge of creative genius inasmuch as it is forcing him to mobilize new forces of nature to overcome the crisis and scale new heights in the development of human civilization.

Is it the first time that mankind has encountered a crisis condition of the productive forces? No, history knows of at least two eras which were pivotal in their development. The first such global crisis arose in the Neolithic Age and was overcome as a result of the so-called "neolithic revolution". The Neolithic Age (3d-6th millennia before our era) was the highest and last phase of the multithousand-year Stone Age. However, toward the end of the Neolithic Age the primitive economy of the early tribal community based on the appropriation of the free products of nature by way of collecting, hunting and fishing was revealing its incapacity for providing people with a relative sufficiency of vital provisions. This required a transition to a more productive and dependable system of productive forces based on farming and animal husbandry. With the emergence of farming and animal husbandry the transition from the appropriation of the ready products of nature to their production with the aid of human activity was accomplished. As a result man changed from a "collector" into a "producer". The change came to be called the "neolithic revolution".

The "neolithic revolution" made it possible to overcome the first "food crisis" in the history of mankind. On the basis of the studies of L. Morgan F. Engels reproduces the historical path of people's mastery of the art of the production of foodstuffs and concludes that only in the highest phase of barbarity (in accordance with Morgan's classification), thanks to the plow with the iron plowshare and domestic livestock as draft power, "did farming on a large scale, **cropping** and at the same time an increase in vital provisions, practically unlimited for those times, become possible."⁸

Thus the contradiction which emerged at the end of the Neolithic Age between people's need for means of subsistence and the possibilities of the former productive forces for satisfying it led not to the demise of mankind but to the productive use of the empirically experienced regularities of the biological forms of the movement of matter (animal husbandry and plant growing). The new quality of the productive forces achieved thanks to the transition from an appropriating to a producing economy enabled mankind to rise to the highest levels of civilization for its time symbolized by the cultures of Ancient Greece, Ancient Rome and the European Renaissance.

The second global crisis of the productive forces arose at the end of the 17th-start of the 18th centuries. It was overcome by way of transition from manual crafts and manufactory implements and means of labor based on empirical knowledge to machine-factory production based on the technological use of the laws of natural science and, primarily, the mechanical form of the movement of matter. From the natural science viewpoint its essence consisted of the exhaustion of the potentialities of empirically accumulated knowledge of certain regularities of nature which had been used in practice in production. This crisis was overcome in the course of the industrial revolution of the end of the 17th-start of the 18th centuries by way of transition from the use of empirical knowledge to the conscious and purposive application in production of the laws of nature learned by science.

Did the crisis of the productive forces of the end of 17th-start of the 18th centuries lead to the demise of mankind, which Malthus and his followers prophesied? Quite the reverse. The industrial revolution ensured an unprecedented upsurge of human civilization and changed the face of the Earth and people's way of life.

In recent decades of our century the traditional system of the productive forces summoned into being by the industrial revolution has entered a period of crisis development. The essence of this crisis from the natural science viewpoint is that all the traditional functional components of the reproduction processes in industry (implements, means and subjects of labor, sources of energy and means of transport) have reached their maximum potential—a crisis condition. This crisis is being overcome in the course of the S&T revolution on the basis of the mobilization and technological use in all the material-physical components of the productive forces of industry of forms of the movement of matter higher than mechanical forms and also the transfer to engineering facilities of the function of management of production processes previously performed by man.

An analogous leap forward has gathered head also in the biological food-supply systems. The "neolithic revolution" once laid the foundation of mankind's food resources, which have been perfected in evolutionary manner by all subsequent social and economic formations right up to our day. In the 5,000-plus years of their existence these resources have toward the end of the second millennium of our era begun to display signs of an incapacity for satisfying people's increased need for means of subsistence. This by no means promises mankind's inevitable hungry end but merely marks the start of the transition to a qualitatively new system of the productive forces of agriculture and industry producing food.

Empirical knowledge which had been accumulated over millennia and which had been passed on from generation to generation was adequate for the productive forces of the era of the primitive-communal system, slavery and

feudalism. Adequate to the productive forces of the capitalist and socialist formations is no longer empiricism but knowledge gleaned by science and proven by practice (chiefly the laws of the mechanical form of the movement of matter). Adequate to the productive forces of the future will be techniques based on the use in production processes of higher forms of the movement of matter than the traditional mechanical and certain traditionally used biological forms. This process has already begun, but is developing at an insufficient pace as yet. Economic eras differ not only in terms of the nature of the implements of labor and not only in terms of the level of social labor productivity but also in terms of the level of aggregate social demand (with regard for the specific-historical laws of production, exchange, distribution and consumption inherent in a given social and economic formation) and also in terms of the character of the laws of nature used technologically in production to satisfy this demand.

So the emergence and development of the S&T revolution in the final decades of the 20th century is explained by a sole cause—the exacerbation of the contradictions between the requirements of mankind and the possibilities of their satisfaction with the aid of the traditional productive forces. This fundamental economic contradiction in the general sociological plane is manifested in the form of the "society-productive forces" contradiction. At the same time, however, this sole cause is multiple inasmuch as the productive forces are a multi-component system satisfying the multi-component structure of man's requirements.

The contradiction between society and the productive forces is not immanent to the capitalist system alone and is not inherited from it by socialism as a "birthmark". It is a global contradiction equally characteristic now of socialist, capitalist and developing countries. The objective basis of this contradiction is the limited nature of potentialities and the exhaustibility of the "consumer" properties of technologically used forms of the movement of matter (but not of matter in general).

The said contradiction is not a class, antagonistic but general sociological contradiction. Such contradictions are engendered not by a conflict between the productive forces and production relations but by the larger-scale conflict between human society and the productive forces assuming the form of an economic contradiction between the growing material and spiritual requirements of mankind and the level of development of the productive forces which has been attained. Of course, this contradiction is manifested differently in countries with different levels of development of the productive forces.

Not being a class contradiction, that between mankind's requirements and the possibilities of their satisfaction is resolved not by methods of class and political struggle but by the national-science path of cognition of increasingly subtle forms of the movement of matter and their

embodiment in various-purpose engineering facilities for the purpose of securing a qualitative leap forward in the production of material and spiritual benefits.

It is important to emphasize that in the modern era the "society-productive forces" contradiction cannot be resolved with the aid of the traditional (former) natural-science knowledge and achievements. What is needed now is nontraditional, qualitatively new knowledge providing for the transition of the productive forces from the "story" of predominantly mechanical to the "story" of nonmechanical types of technology. The change of technologies is the highway of the qualitative transformation of the productive forces.

The proposed diagrammatic analysis of the state of the present-day productive forces permits certain conclusions. The productive forces develop on the basis not only of economic but also objective natural-science laws. Distinguishable in the historical process of their development are three phases, which correspond to the three economic eras: 1) productive forces characteristic of precapitalist formations (prescientific, empirical); 2) "scientificized" productive forces based predominantly on the laws of the mechanical (partially, chemical) form of the movement of matter characteristic until recently of capitalism and socialism; 3) "scientificized" productive forces based predominantly on nonmechanical forms of the movement of matter (physical, chemical, biological), which are beginning to gain momentum, and it is to these that the future belongs. Inasmuch as nature is objective, and science and technology, international, the global productive forces are developing in accordance with common, identical natural-science laws independent of the prevailing production relations (forms of ownership). A disregard for these regularities in economic practice (particularly at the time of the elaboration and implementation of a policy of the retooling of production) is fraught with serious costs. Inattention to them on the part of political economy is impermissible. Only with regard for these regularities it is possible, in Ya. Pevzner's words, to initiate a new stage in the study and teaching of political economy.

Footnotes

1. See MEMO No 6, 1988, pp 5-22.
2. "Economic Encyclopedia. Political Economy," vol 3, Moscow, 1979, p 317.
3. "Political Economy". A Dictionary, Moscow, 1979, p 295.
4. MEMO No 6, 1988, p 12.
5. Ibid., p 20.
6. V.I. Kushlin, "The Production Apparatus of the Future," Moscow, 1981, pp 70-71.

7. K. Marx and F. Engels, "Works," vol 1, pp 563-564.

8. Ibid., vol 21, p 32.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Further Response to Pevzner: Marxist Analysis Defended

18160004j Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 11, Nov 88 pp 86-89

[Response by Andrey Nikolayevich Naumov, graduate student of the USSR Academy of Sciences International Workers Movement Institute: "Forward, to Marx!"]

[Text]

"...It is always possible to make from a tiny mistake a monstrously big one if the mistake is insisted upon, if it is substantiated in depth, if it is 'brought to a conclusion'" (V.I. Lenin, "Complete Works," vol 41, p 26).

"Science stops where the essential contact is lost" (K. Marx and F. Engels, "Works," vol 20, p 533).

Ya. Pevzner's article "New Thinking and the Need for New Approaches in Political Economy" is one of the first, perhaps, if not the first blow struck at the Great Dogmatic Wall which has separated Marxism from the so-called political economy of capitalism. The democratization of thought has reached, albeit somewhat belatedly, a branch of knowledge which has been shielded from life by a strong palisade of quotations.

However, granted all the novelty of approach of the article, it is not, in my view, without certain dogmatic aspects. This is entirely explicable inasmuch as political economy as a science has still, unfortunately, a long way to go from scratch. We simply cannot now rely on a dependable scientific basis. What today seems logical and necessary could prove spurious following verification against Marxism.

Wisdom proclaims that the new is the long-forgotten old. But it is not that we have forgotten the old but perceive it less than fully, one-sidedly and in fragmentary fashion. For political economy the new approach, no pun intended, could prove to be a return to Marx. Of course, it is primarily a question of the methodology of study. We would distinguish particularly in this connection the question broached by Ya. Pevzner ("third") concerning a return to study of the equipment, technology and organization of production as of fundamental importance. So important that I would put it "first". It is here that the point of return to the methodology of Marx and to Marxism in science is seen. I would like to develop this point from a somewhat different angle.

Let us begin with a somewhat surprising question. What is capitalism? The capitalist formation incorporates productive forces, production relations and a superstructure at a particular level of development. The capitalist production mode is the sum total of the first two components of the formation, forming a logically complete subsystem. The two latter components of the formation form the capitalist society proper and also form a subsystem, which is secondary in relation to the capitalist mode of production and logically dependent on the development of the productive forces. Speaking of capitalism, it is necessary in serious science either to specify each time what is meant or to define once for all what is implied by this word in each social discipline.

It is no secret that every science has its own subject. It studies this subject primarily, and its relations to other phenomena are ascertained in the process of revelation of its essence. Capitalism is studied in our country by various sciences and disciplines: philosophy, political economy, scientific communism and their branches. The three components of Marxism, while interacting closely, nonetheless have a different, quite clearly expressed focus. Philosophy encompasses all components of the formation, scientific communism, society, and political economy..., production relations. Studying the economic basis of society in isolation from its actual relations with processes in the productive forces, political economy has changed from the science which it was in Marx's time to a subsection of scientific communism. Marx's approach to this problem may be seen clearly in "Das Kapital" and proclaims in abridged form that production relations are the historical form of development of the material productive forces. Studying the coming into being of the capitalist mode of production, Marx and Engels could count on political economy, also having changed from a utopia into a science, not suffering a reverse change. Unfortunately, in modern political economy as a whole (and not only in the so-called political economy of socialism) there has been a significant departure not only from Marxism but even, in a number of cases, from materialism altogether. Thus study of the self-movements of the historical form of the development of the productive forces without a detailed analysis of the changes in the content of this form manifestly hinted at the true ideological predecessor of this science—Plato. As is known, believing the idea and form primary and of most importance, he assumed the existence of some world of ideas, forms, "ideas" which exist in reality and in themselves. Appearing in our world, they are temporarily suffused with content, and at the end of the existence of the subject they return to their own world. Only such a modification, perhaps, of the science of political economy and pseudo-Marxist Platonism made it possible to justify and substantiate certain particularly "outstanding" political decisions in the "gray" times.

Actively elaborating the "production relations-superstructure" system, political economy in principle moved in the channel of the natural development of the sciences toward the integration of knowledge. Its own subject—

the mode of production—however, remained unassimilated, in the background. The justified interpretation of the subject of political economy as the sum total of production relations in their close connection with the productive forces has been encountered increasingly often recently. Leaving aside for the moment the question of the need for a further shift of emphasis from form to content, we would note the undoubted progressiveness of such an interpretation, which moves political economy toward Marxism and makes it possible to embark on the raking over of scientific obstructions.

It is obviously expedient for an analysis of large amounts of material to divide it into logically complete parts. In study of the capitalist formation this means separation of the stages of its development. The stages of the development of the formation as a whole should evidently be considered intraformational changes therein of such a scale that, while preserving its main essential feature, the system as a whole moves to a new, qualitatively distinct level. The attainment of a new level by the entire formation means in Marxism primarily the transition of society's productive forces to a different level, higher, as a rule. As a result of this movement there is a corresponding modification of the sum total of production relations, given the invariability of the basic relationship. Following the changes in the superstructure, the transition to the new level of development is completed, and the formation enters a new stage.

Thus the changes in society are brought about by changes in the mode of production, primarily in its content—the productive forces. Whence it follows logically that the periodization of the development of society necessarily ensues from the periodization of the development of the mode of production. The development, on the other hand, of the mode of production depends on the development of the productive forces, the most active component of which are the means of labor, in other words, the technological application of man's knowledge. The level and nature of the application of knowledge is an indicator of the development of civilization, mankind and the main productive force of society. This reasoning merely concretizes the well-known proposition of Marxism that social relations are closely connected with the productive forces. "Acquiring new productive forces, people change their mode of production, and with the change in the mode of production and the method of supporting their life they change all their social relations."¹ This is a correct application of the logical method of study characteristic of political economy, which is far from always acceptable in other sciences. Nonetheless, the "technological determinism" label made the use of this method of study unsafe, which caused the departure therefrom of a considerable number of political economists. At the same time, however, it was the logical method which was applied by Marx in "Das Kapital".

The above arguments make it possible to take a new look at the division, suggested for social science, and political economy in particular, into stages of all the years of the

development of capitalism not encompassed by K. Marx's "Das Kapital". We have regrettably to acknowledge the slight methodological value for political economy of the division of capitalism, for example, into the premonopoly phase, imperialism, state-monopoly capitalism and transnational state-monopoly capitalism.²

An attempt to distinguish stages of the formation by changes in secondary, derived subsystems essentially means an attempt to introduce to the facts constructed, invented relationships and regularities instead, on the contrary, of deducing them from the facts. Incidentally, the classics warned against this repeatedly, fearing for the materialist understanding of history.³

V.I. Lenin wrote that K. Marx, without having abandoned "Die Logik," abandoned the logic of "Das Kapital".⁴ Let us attempt, finally, to use the methodological potential of this work. At first sight we find in chapters XI-XIII three stages, phases of the development of capitalism (it is now added to smooth over awkwardness, "in industry") deduced from the progressive development of material production. Developing, the productive forces exerted with each qualitatively new phase a certain additional influence on the economic basis and on society as a whole. The last of the studied phases of the development of capitalism analyzed in detail by Marx was also brought about by changes in the productive forces. Far-reaching changes in society occurred as a result of the change in the composition of dead matter, those same "pieces of iron" which Marx studied in depth and which present-day political economists refuse to study.

After the writing of "Das Kapital," we are asked to believe, the productive forces either did not develop at all or grew at the technical level which had been attained. Only such an understanding of the processes in the productive forces, evidently, made it possible, following the inexplicable attribution to political economy of such works of Lenin's as "Imperialism as the Highest Phase of Capitalism," "The Impending Catastrophe and How To Fight It" and certain others, to depart from Marx's interpretation of the periodization of the development (based on this, the study) of society.

The resulting picture in political economy is an odd one. Following the qualitative changes in capitalism under the effect of material production, the productive forces and the means of labor, form is divorced from content, which, evidently, is understood to be stable, and begins furious self-development, determining changes in the formation. As if there had been no "bunch of discoveries in the middle-end of the 19th century oddly coinciding with the start of monopolization in society and the start of the third 'long wave'"⁵ (true, a number of works baldly mentions the existence of some connection between imperialism and the change in production in the 19th century). As if there was no transition of production on a new technological basis at the end of the 1920's-start of the 1930's, which also oddly coincided with the start of

the fourth "long wave" and the increased intervention of the state in the economy! There are altogether no explanations here, as a rule. As if there were neither the S&T revolution initiating a giant growth in the material and spiritual possibilities of man and society's productive forces nor its contemporary stage—the mass introduction in production of qualitatively new means of labor and so-called four-link chain machinery. And as if this does not coincide, again oddly, with the start of a new "long wave" and the growth of state-monopoly capitalism beyond the national framework!

These "odd" coincidences are, as we can see, explained quite simply and exist not in relations of coordination but subordination. The movements of the form on the threshold of revolution noted by Lenin interested him primarily as a revolutionary—theorist and man of action. Naturally, he regarded imperialism from the viewpoint of scientific communism, and not political economy. Having adopted, unthinkingly, what is more, this periodization, political economy in fact engaged in pseudoscientific guesswork instead of serious study and lost completely its significance in the theory and practice of Marxism.

At the same time, on the other hand, despite the "technological determinism" boggy, use of the logic of "Das Kapital," episodically or in the solution of quite narrowly posed questions, it is true, continued.⁶ Continuation and amplification of the sequence begun by Marx: simple machine production (large-scale machine industry in Marx), transfer-line production, partial and comprehensive mechanization are suggested. Granted the possibility of arguments in connection with the specific division of the development of the productive forces into stages, mention has to be made of the considerably greater methodological potential of this or a similar solution of the problem for political economy.

The systemic nature of Marxism affords an opportunity for analyzing correctly, on the whole, the development of society without inferring forms from content. But why should political economy not do this or, at least, offer proof by verification? In what should this part of Marxism be involved other than the service of policy in society and scientific communism in science?

Decompacting the changes in the "pieces of iron" makes it possible to arrive at the regularities in the development of manpower, the subjects of labor and the technological changes among the three aspects of the labor process and the three basic components of the productive forces. Whence it is not difficult laying a bridge to relationships in the system of production relations. Arrival at "production relations directly" and the subsystem of management (it is, after all, the organization of the production of surplus value, that is, exploitation) and arrival at the problems of the macrolevel are further possible. The macrolevel, as the "general," does not exist without enterprises and relations between them and within them as the "individual". Changes at the microlevel (the

workshop becomes the factory in Marx) lead to changes at the macrolevel (coming into being of the capitalist mode of production and formation, in Marx). Despite the quite strong reverse dependence and seeming separation and self-sufficiency of the macrolevel, it is the microlevel which is undoubtedly the determining and leading part of this bond. The general does not exist independently but exists in the diversity of the individual and appears therein.

The terms "imperialism" and "state-monopoly capitalism, which have grasped the form (how accurately, political-economic research will in time tell), cannot be applied in political economy as the methodological basis and as the definition of stages. Their field is scientific communism and, partially, philosophy and historical materialism, where Lenin applied them.

In conclusion it should be noted that the shift of emphasis in political economy from society to the mode of production, first, closes a gap in Marxism and enables the science to have its own viewpoint, substantiated in a particular way, on the development of the social and economic formation instead of engaging predominantly in criticism of others' theories; second, makes it possible to scrutinize anew, from a scientific viewpoint now, the last 100 years or so of the development of capitalism and determine the true cause-and-effect relationships; third, makes possible the solution of the "painful" problems of contemporary science enumerated by Ya. Pevzner and others.

The time has come to restore to political economy its lost (or taken from it?) instrument of research, set right the dislocation in the interpretation of its subject and make it a science once again.

Footnotes

1. K. Marx and F. Engels, "Works," vol 4, p 133.
2. See, for example, KOMMUNIST NO 6, 1983, pp 36-37.
3. See K. Marx and F. Engels, "Works," vol 3, pp 26-27.
4. See V.I. Lenin, "Complete Works," vol 29, p 301.
5. See MEMO No 5, 1988, p 75.
6. See RABOCHIY KLASS I SOVREMENNYIY MIR No 2, 1983, pp 61-73; No 2, 1986, pp 61-75; VOPROSY FILOSOFII No 7, 1984, pp 18-38.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".

"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Influence of Antiwar Groups in Asia-Pacific Region Evaluated

18160004k Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 11, Nov 88 pp 102-110

[Article by Boris Yefimovich Zarankin, consultant to the Soviet Committee in Defense of Peace: "Peace Organizations and Movements in Countries of the Asia-Pacific Region"]

[Text] Politicians, international affairs scholars and also representatives of business circles are in agreement increasingly often that the significance in world politics of the Asia-Pacific Region (APR), where the interests of many of the world's leading countries interweave, will grow constantly in the foreseeable future. The features of the once-distant future about which K. Marx and F. Engels wrote back in the middle of the last century: "The Pacific will perform the same role which is now performed by the Atlantic, and in the Middle Ages, the Mediterranean—that of great waterway for world relations"¹—are appearing increasingly manifestly and graphically with every passing day.

Research centers engaged in the elaboration of problems of the APR are now making a mass of forecasts concerning its future, checking the most varied versions and combinations and pondering the possible consequences of implementation of this step or the other in the foreign policy, social, economic and military-strategic spheres. However, even today there is hardly any scholar who could without detriment to the results of the forecasts which are being compiled ignore the pronounced upsurge in recent years of the antiwar, antinuclear movement and also its growing influence on the entire situation in the Pacific. Indeed, given all the complexity and motley nature of the situation in the APR, "granted all the nuances in the distribution of light and shade, the antinuclear composition of the overall picture stands out."²

It may be said without exaggeration that, despite all the difficulties and contradictions, the demonstrations of public forces for a nuclear-free world and disarmament have become here a pronounced factor of world politics appreciably influencing the formulation of political decisions. At the same time Soviet experts for a long time largely underestimated the importance and urgency of the elaboration of the subject matter of the public antiwar movements in Pacific countries, studying problems primarily with reference to the conditions of West Europe and the United States. Whereas initially this was explicable and understandable inasmuch as it was the West European and American antiwar demonstrations which were undoubtedly the most important in terms of scope and scale, subsequently, when no less important processes had begun to occur in the vast expanses of the

Pacific and, what is most important, to noticeably influence the policy of the leading world powers, and scholars and field workers failed, as before, to pay them due attention, an obvious vacuum arose.

Development of the problems of the public antiwar movements in the APR would seem urgent further for a number of reasons, two of which I should like to mention. First, the waters of the Pacific have in recent years become a focal point of main naval strike forces accommodating nuclear potential of colossal power which is as yet, unfortunately, subject to no reductions. Consequently, the success of the further struggle for nuclear disarmament in the world will largely depend on the efficacy and effectiveness of public demonstrations for a reduction in the naval arms race and an appreciable limitation of states' naval activity, which applies to a considerable extent to the Pacific. And, second, the structure of the public antiwar organizations which is gradually taking shape in the region could in time be an important component of an entire system of Asia-Pacific security.

Without claiming a comprehensive analysis of the great diversity of forms and manifestations of the antiwar demonstrations of the peoples of the APR, the author sees it as his job merely to describe the most general trends and directions characteristic of the antiwar struggle primarily in its Asian component and also in Australia and New Zealand and to familiarize the reader with the nature, tasks, directions and methods of activity of a number of leading antiwar, antinuclear organizations and movements largely determining the political appearance of the present-day APR.

I

Undoubtedly, the antiwar public movements in various countries located in the Pacific have their own characteristic features, which reflects their socioeconomic dissimilarity and the diversity of cultural, linguistic and historical singularities. However, the relatively wide spectrum of present-day antiwar public forces may be subdivided into the following streams.

The first stream includes movements represented by antiwar and antinuclear organizations working under the aegis of the World Peace Council or cooperating with it which took shape long since and which are widely known both within their countries and in the worldwide peace supporters movement.

These include, for example, the All-Japan Council for the Banning of Nuclear Weapons ([Gensuyke]), the Japanese Peace Committee, the Australian Peace Committee, the Campaign for International Cooperation and Disarmament (Australia) and the New Zealand Council for World Peace. The Philippines Peace and Solidarity Council formed at the start of the 1980's may be attributed to this direction also.

The second and relatively influential direction of the antiwar struggle in the region is represented by new people's movements, mainly of a pacifist-liberal persuasion unconnected, as a rule, with the activity of any specific political party. The start of their inception pertains to the frontier of the 1970's and 1980's, when, following the example of West European countries and the United States, antiwar movements which came to be called the "grassroots movement,"³ that is, movements, as is often said, of "the man in the street," began to gradually take shape in the APR. The analogous phenomenon in Japan came to be called ("kusa-no ne"). Pertaining to this direction are such organizations and movements as the Australian People for Nuclear Disarmament, the New Zealand Peace Movement—Aotearoa and Nuclear Disarmament Coalition, the Japanese 10 Feet Movement, and Philippine Coalition for a Nuclear-Free Philippines and the Anti-Bases Coalition, every conceivable group of ecologists and other supporters of environmental protection of the Greenpeace type and also a whole number of other smaller antiwar organizations and movements.

The third stream is composed of movements of local authorities for the proclamation of their cities, communities and municipalities nuclear-free zones. This form of joint action has become widespread in such countries of the region as Japan, Australia, New Zealand and the Philippines.

One further entirely independent and influential spectrum of the antiwar, antinuclear movement in the region is formed by organizations and groups of a religious persuasion. As distinct from other public organizations—trade union, youth, women's and student serving as the mass support for the first two above-mentioned streams—they have their own, highly specific social base. Constituting an individual antiwar stream, the religious organizations and groups bring to the peace movement an authority gained in the international arena, in domestic political life and among the broad people's masses. Their role is particularly pronounced in Japan, Australia and New Zealand, in the Philippines and in a number of island states of the Pacific.

And, finally, the last, but by no means least, stream is composed of the movement of small island states of the Pacific for a nuclear-free and independent Pacific, which, reaching in a number of cases the state level, has a profound popular foundation and support, being essentially a broad popular movement.⁴

II

The basic slogans of the forces constituting the first antiwar stream are the complete and universal elimination of nuclear weapons, a halt to the arms race on earth and the prevention of its transfer to space, abandonment of military cooperation with the United States and the liquidation of all American military bases and facilities on the territory of their countries, the banning of calls by

nuclear-powered ships and those carrying nuclear weapons and the conversion of the Pacific into a nuclear-free zone. Movements are also developing under slogans reflecting purely national or subregional problems. In Japan, for example, these are demonstrations for the country's genuine compliance with the "three nonnuclear principles" and preservation of the peaceful nature of the Japanese Constitution; in Australia, for withdrawal from the ANZUS bloc and a revision of the country's whole defense strategy, including renunciation of the American "nuclear umbrella" and Australian-American cooperation in the military sphere; in New Zealand, the demand for liberation from colonial dependence of Pacific territories, primarily French Polynesia and New Caledonia; on the Philippines, struggle for the country's economic independence, by way, included, of the establishment of effective control over the activity of transnational corporations.

Among Pacific countries the Japanese peace movement is the oldest and the one which has earned the greatest authority. The antinuclear aspirations of the people which were the first casualty of the military use of the atom are widely known. The Peace Supporters Society, subsequently renamed the Japanese Peace Committee, was formed in 1950. When, however, to the numerous victims of the atomic bombing of Hiroshima and Nagasaki were added new ones—in this case fishermen from the schooner "Fukuryu-Maru" who suffered from the effects of the American experimental explosion of a hydrogen bomb on Bikini atoll—the antiwar movement in the country gained powerful new impetus. On the basis of a broad consensus of democratic forces a national antinuclear center—the All-Japan Council for the Banning of the Atomic and Hydrogen Bombs ([Gensuyke])—was created in 1955. The leading role therein was assumed from the very outset by forces oriented toward the Communist Party (JCP) and the Socialist Party (JSP). However, subsequently, in the wake of disagreements between them on the question of the attitude toward the Moscow Partial Nuclear Test Ban Treaty (1963), there followed a split in Japan's antinuclear movement. A further antinuclear center—the All-Japan Congress for the Banning of Atomic and Hydrogen Bombs ([Gensuykin])⁵—was formed in 1965. The leadership of the activity of this organization was assumed by the JSP. Such a development could not have failed to have weakened the movement and to have been reflected in its authority and influence in the country's domestic political arena and also to have noticeably influenced Japanese peace supporters' relations with the world peace movement. In 1977-1978 Japanese peace fighters succeeded in overcoming certain disagreements and reaching mutually acceptable compromise in respect of the organization in Japan by common efforts of international conferences for the banning of nuclear weapons, which became during August a traditional gathering of the world's antiwar forces. However, as of

the latter half of 1985 disagreements in Japan's antinuclear movement intensified once again, which made impossible the continued joint organization of these international forums.

Among the most important international actions and activities organized in recent years by the (Gensuyke), mention has to be made of the initiative in February 1985 for the collection of signatures to an appeal from Hiroshima and Nagasaki concerning the total prohibition and elimination of nuclear weapons. More than 500 million signatures had been appended to the appeal by the summer of 1987. The organizers of the campaign have set a goal of increasing their number to 1 billion. The (Gensuyke) made a substantial contribution to the organization of the two world "peace wave" international actions timed to coincide with the 10th anniversary of the proclamation of UN Disarmament Action Week and the UN General Assembly Third Special Disarmament Session.

In the past several years the Japanese Peace Committee has in conjunction with the (Gensuyke) stepped up activity pertaining to the organization of seminars and symposia and international and national conferences devoted to problems of nuclear disarmament. Public meetings, peace marches, the distribution of leaflets, opinion polls—all this is contributing considerably to the invigoration of the Japanese antiwar movement.

The assertive activity of another mass public organization—the (Gensuykin)—has also contributed in recent years to the broad scale of the movement of Japanese peace supporters. Prevalent forms thereof have been conferences, seminars and lectures on various aspects of the antinuclear movement in the country and global problems of nuclear disarmament. An increasingly large number of supporters of the JSP and the General Council of Trade Unions (Sohyo) and representatives of the public at large participate in them.

In Australia, as in Japan, the antiwar movement was conceived at the start of the 1950's. Its consolidation nationally and conversion into a truly mass phenomenon of social life were connected with the country's participation in the Vietnam War. It was in these years that demonstrations and protest meetings of unprecedented scale, in which leading union, religious, youth and women's organizations and representatives of various political parties and social groups joined actively, were organized.

Following the withdrawal of the Australian forces from Vietnam and right up to the 1980's the peace movement experienced a pronounced slump. Its main slogans were struggle against the mining and recovery of uranium and for the liquidation of foreign military bases on Australian territory.

The Australian Peace Committee, which has become one of the country's most important centers of the antiwar movement, was set up organizationally and began its activity in the mid-1970's in Sydney. Relying on the support of a number of trade unions and also the representatives of left and center forces in the Labor Party, the committee has set up its branches in a number of large cities.

One of Australia's oldest antiwar organizations—the Campaign for International Cooperation and Disarmament, which enjoys the support of a considerable number of public organizations of the state of Victoria, prominent trade union figures, religious communities, the students and branches of a number of political parties—has been functioning in the state since the end of the 1950's. Its main purpose is formulated as safeguarding the future of civilization by way of the establishment of cooperation between peoples.⁶

No less well known than the Japanese and Australian organizations in the region's antiwar movement are the New Zealand Council for World Peace and the Philippine Council for Peace and Solidarity, which also belong to the first stream of the Pacific's antiwar forces.

The action program of the New Zealand Council for World Peace advances tasks of the mobilization of public opinion in support of the idea of making New Zealand a zone free of nuclear weapons, further extension of nuclear-free status to the entire Pacific, propaganda of a limitation of spending on arms and the channeling of the resources thus released into satisfaction of social needs, expansion of cooperation with other groups and associations in the implementation of measures in defense of peace and stimulation of the council's activity at local organization level.⁷ A notable event for the New Zealand Council for World Peace and also for further invigoration of the antiwar, antinuclear struggle of the peoples of the entire Pacific region was the convening in October 1987 of a session of the WPC Presidium Bureau in Auckland.

Among the region's antiwar movements authority is enjoyed by the Philippine Council for Peace and Solidarity, which has operated under this name since 1983. Prior to this, the organization was known first as the Philippine Society for Development and Peace and subsequently as the Philippine Peace Council. Progressive youth, women's, peasant and student and also a number of other public organizations participate vigorously in its activity. An appreciable influence on a stimulation of antiwar demonstrations in the country and the molding of an antiwar consciousness in the Philippine masses and the peoples of the whole APR has been exerted by the organization by the Council for Peace and Solidarity, given the assistance of the WPC and Afro-Asian Peoples' Solidarity Organization, of a number of representative international conferences.

III

As of approximately the start of the 1980's the antiwar, antinuclear movement in the region has been entering a new stage of its development—the organizations and movements forming the second stream of the antiwar forces have started to play an increasingly pronounced part therein. It is being joined by new public forces of the most diverse political persuasions and views and with different religious and philosophical outlooks, but united in what is most important—an understanding of the danger of nuclear catastrophe threatening the destruction of all mankind. In Australia, for example, this movement is being joined by members of parliament and representatives of various political parties and professional groups—such as Scientists Against Nuclear Weapons, the Medical Association for the Prevention of War, Physicians for Peace, Actors for Peace and others. Dozens of antiwar organizations, exceptionally varied in their political views and social composition, are emerging. The influence of many of them is confined to the boundaries of the state, and sometimes, to the city even.

A broad antiwar movement named People for Nuclear Disarmament, which has encompassed the majority of Australian states, was set up organizationally in the latter half of 1981. Its main goal is the mobilization of public opinion in support of disarmament and peace. Relying on a broad coalition of prominent public figures, representatives of local groups of peace supporters, church figures, the unions and women's and educational organizations and also groups of supporters of environmental protection, the People for Nuclear Disarmament has become a most representative and influential antiwar movement on the scale of the whole planet.

The most striking event of recent years, unprecedented for the APR, was the creation in Australia in 1984 of the Party for Nuclear Disarmament, which was the result of the broad range of the national antiwar movement and the participation therein of the most varied public strata. The party was formed by the initiative of a group of activists of the antiwar movement, who were joined by some members of the Labor Party also. At the 1984 federal elections it gained half a million votes and a seat in the Senate. Unfortunately, subsequently ideological disagreements within the party led to its self-dissolution.

The rapid growth of the antiwar protests and antinuclear aspirations of ordinary Australians prompted the country's Labor government to submit for parliamentary examination in 1986 a bill prohibiting the testing, production or permanent deployment of nuclear weapons on Australian territory. The hearings took place within the framework of discussion in parliament of the Rarotonga Treaty, which Australia shortly after ratified. A group of Labor members of parliament for a nuclear-free Australia was set up in 1985 within the framework of the Labor faction in parliament's House of Representatives, which was a response to criticism of the ruling party,

which, although having put forward a number of antinuclear propositions in its election platform, had not made sufficiently vigorous efforts for their realization.

By the mid-1980's a far-flung network of various antiwar organizations had taken shape in New Zealand also. As distinct from the European movements, the organizations and groups which are a part of this network have lacked, as a rule, clearly expressed coordination centers. However, despite the tremendous diversity of the goals pursued—from struggle for the elimination of nuclear weapons through protection of the environment—they cooperate closely among themselves. The assumption of office in 1984 of the Labor government with its strong antinuclear charge was a powerful new boost for the national antiwar movement, which was brought together by the struggle for nuclear disarmament. It is around antinuclear demands that the entire practical and propaganda activity of the majority of organizations is conducted. Despite the presence in the movement of certain elements of anti-Sovietism and anticommunism, which are being actively used by the forces in opposition to the government for imparting to the movement "equidistance" and a policy of counteraction of the "two superpowers," it has an anti-imperialist focus, as a whole.

Whereas the military presence of the USSR in Oceania is a purely propaganda construction of the Western mass media, the military activity of the United States in this region is clearly denoted by calls of ships carrying nuclear weapons at the ports of a number of Pacific countries, the presence of military facilities and bases of the United States in New Zealand and Australia and on the Philippines and the Americans' missile tests in Micronesia and also tests of the MX and Trident missiles off Australia's shores which were planned not that long since.⁸ The peace supporters are also reacting extremely keenly to French nuclear tests on Mururoa atoll.

A most influential antiwar organization of New Zealand is the Peace Movement-Aotearoa, which was formed in 1981 and which incorporates over 300 different antiwar groups.⁹ Essentially it acts as the national coordinator of the peace movement, rendering numerous antiwar groups throughout the country help and support. The Peace Movement-Aotearoa distributes to the peace supporters the necessary information and every conceivable document and materials and conducts scientific research in problems of peace and disarmament.

An appreciable role in the country's antiwar movement is also performed by the New Zealand Nuclear-Free Zone Committee, the Coalition Against the Military Bases, Greenpeace, the Peace Squadron, the Trade Union Peace Center and professional associations of scientists, performers and physicians.

A wave of new antiwar movements has engulfed the Philippines. The Coalition for a Nuclear-Free Philippines, which was formed on the basis of liberal-bourgeois, consumer and clerical groupings, bourgeois-nationalist groups and also a number of other

organizations, was created in January 1981. The coalition was headed by former senator L. Tanjada, a leading figure of the bourgeois opposition. The Coalition for a Nuclear-Free Philippines actively supports the country's pursuit of a policy of nonalignment and positive neutrality and in this connection sets itself the task of the elimination of the American military bases and is struggling against the deployment of nuclear weapons on the country's territory and against U.S. interference in the Philippines' internal affairs. It is developing relations with foreign antiwar organizations and consenting to cooperation nationally with other movements. An illustration of this was not only the fifth conference of the Movement for a Nuclear-Free and Independent Pacific held in the Philippines in November 1987, to whose success the coalition made a significant contribution, but also its active participation in the campaign for a sovereign Philippines announced in the summer of 1986.

Antiwar tendencies are also strengthening among radical left groupings in the Philippines, evidence of which was the creation in February 1983 of the Anti-Bases Coalition headed by former senator J. Diokno. As one of its documents declares, the coalition was formed by Filipinos representing the broadest spectrum of political views for the establishment of contacts with the international peace movement and also for attracting world attention to the question of the foreign military presence. To this end the Anti-Bases Coalition organized and conducted in October 1983 even in Manila an international conference on disarmament, world peace and the removal of all foreign military bases, which, as its organizers declared, was the "first international disarmament conference convened by a nongovernment organization not only in the Philippines but throughout Southeast Asia."¹⁰

At the present time the Anti-Bases Coalition has been concentrating its attention on support for the proclamation of Philippine territory a nuclear-free zone and on the creation of a control commission for compliance with and implementation of the country's constitution.

Interesting new forms of the antiwar struggle have taken shape within the framework of the above-mentioned ("kusa-no ne") movement in Japan. The 10 Feet Movement nation campaign, in which more than 300,000 persons have participated and which has been conducted as of the end of the 1970's at the initiative of a number of well-known Japanese film makers (Ts. Iwakura, S. Hani, U. Tatibana and others), has had extensive repercussions throughout the world.¹¹ The purpose of the campaign was to buy up from American federal archives documentary films shot in the immediate aftermath of the atomic bombing of Hiroshima and Nagasaki.¹² Whence the name of the movement: everyone who has contributed a set amount has bought up, as it were, 10 feet of film. The organizers of the campaign have made seven documentary films with the use of film archive material redeemed in the United States, which include such films as "Bringing Back Man," "The Prediction," "The Lost Generation," "The Sea and the Tomahawks"

and "History—Era of Nuclear Madness!" which have been so widely recognized in Japan and overseas. The motion picture activity of Japan's fighters for peace is combined with publishing activity. In the period 1980-1986 alone the Hiroshima-Nagasaki Publishing Committee, on which Japanese documentary film makers, photographers and representatives of the scientific and artistic intelligentsia collaborate successfully, prepared for publication and released three antiwar photo albums which had extensive repercussions both in Japan and overseas. These albums were entitled "Hiroshima-Nagasaki," "Auschwitz" and "The Ginja and War".

IV

The growth of the mass antiwar self-awareness of the peoples is being accompanied by a search for nonstandard forms of struggle against the nuclear threat which are frequently highly dynamic and have already begun to perform a marked role in the political life of certain countries of the APR. An exceedingly interesting phenomenon in this connection is the movement of local authorities for the proclamation of their cities, communities and municipalities nuclear-free zones. Thus in response to Australia's expanding involvement in the United States' military strategy 101 of its municipalities have proclaimed on their territory nuclear-free zones, and back in 1982 the state of Victoria was declared a zone of peace free of nuclear weapons.¹³

According to information of the Coalition for a Nuclear-Free Philippines, the country has at present 22 nuclear-free municipalities, including those which fully encompass nine provinces in which over 15 million persons reside.¹⁴

In New Zealand the local authorities have declared nuclear-free approximately 100 cities and communities. They include such large cities as Auckland, Wellington and Christchurch. According to the New Zealand scholar F. Wilkes, more than 80 percent of the country's population lives in nuclear-free zones.

However, the prize for the number of nuclear-free municipalities is firmly held by Japan, disregarding whose experience the true scale and influence on people's minds of this direction of antiwar activity cannot be understood.

The nuclear-free cities movement began in Japan in 1982, when the administrative authorities of several dozen of the country's cities adopted declarations on the proclamation of their territories zones free of nuclear weapons. Initially the movement was unconnected, lacked a coordinating center and was practically ignored by the mass media. However, the Nuclear-Free Cities Communication Council was formed in August 1984. The monthly NUCLEAR-FREE CITIES BULLETIN, which provides with information on the council's activity and recent events of the antiwar struggle all organizations of Japan's peace supporters and also many

municipalities and keeps the corresponding statistics, came to be published a little later. All this led to the rapid spread of the movement throughout the country. In 1984 alone, as a reaction to the start of the deployment of Tomahawk cruise missiles on ships of the U.S. 7th Fleet, the number of nuclear-free areas in the country grew threefold, and in the first 6 months of 1985, a further twofold. In terms of the number of nuclear-free municipalities Japan has as of the present overtaken all other capitalist countries. By the start of 1988 there were 1,196 such, wherein 58 percent of the country's population lived.¹⁵

The enhancement of the role of the local authorities in the peoples' antiwar struggle is manifested particularly graphically under conditions where the traditional forms of the peace movement do not always produce specific visible results. From a nuclear-free zone in the community, city neighborhood, city and prefecture to a nuclear-free country and to a nuclear-free zone encompassing a group of countries and then the entire region—this idea is meeting with a broad response among the people's masses. It successfully combines a close and actually attainable goal with a most distant goal, being an effective slogan of the attraction to the movement's ranks of broad strata of the population. Frequently an absolute majority of the electorate of a given area appends its signature to petitions demanding proclamation of its territory a nuclear-free zone. For example, in the course of the campaign which led to the proclamation of Kanazawa, one of Japan's most densely populated prefectures, a nuclear-free zone 1.5 million persons put their signatures to the petition to the prefectural assembly, that is, two-thirds of registered voters. And it has within its confines, incidentally, such important U.S. military bases as Atsugi and Yokosuka.

However, the struggle of the local authorities does not always end successfully. Of the 45 local authorities in Osaka Prefecture, 39 have declared their nuclear-free status. The Osaka Council of Struggle for the Banning of Nuclear Weapons (part of the [Gensuyke]), the Committee for Cancellation of the Japanese-American Security Treaty and the Consumer Cooperative Society Council have since January 1987 been developing a movement for the prefectural assembly's passage of a resolution banning the presence in the ports of the Bay of Osaka of foreign ships carrying nuclear weapons and the proclamation of Osaka a nuclear-free peaceful prefecture. Over several months the above-mentioned public organizations presented the prefectural assembly on six occasions with the appropriate petition and conducted mass demonstrations. The prefectural assembly was handed over 50,000 individual petition-statements. However, its session turned down all these demands of the masses. The Osaka City Assembly did the same.¹⁶

Nonetheless, it has to be mentioned that a number of local authorities, the municipal assembly of Tikugo in Fukuoka Prefecture, for example, has consented to such radical measures as a total ban on any military activity

on its territory, including maneuvers and the movement of military units. The "Kobe experience," whose city authorities passed a resolution in 1982 making it incumbent upon the captain of any warship to submit written confirmation that he is carrying no nuclear weapons before he is given the right of entry to the harbor, has also gained extensive celebrity in Japan and beyond. The city is sticking firmly to this rule, in any event, the U.S. command, in order not to give such an assurance, is refraining from having ships of the U.S. Navy call at this port.

The Kyoto City Assembly also passed by an overwhelming majority a resolution on a nuclear-free zone, and in the capital prefecture of Tokyo nuclear-free zones have been proclaimed by half the local authorities.

Such a development of events could not have failed to have put the country's ruling circles in an awkward position. Seriously discomforted by the rapid growth of the nuclear-free cities movement, the LDP leadership initiated a campaign to discredit it and adopted a number of measures to counter the movement. The main argument here was the proposition concerning the "pointlessness" of the adoption of nuclear-free declarations by local authorities at a time when the "three nonnuclear principles" had been proclaimed in Japan. Reports filtered into the Japanese press concerning a special circular which had been sent by the LDP leadership to the party's local organizations containing instructions for the adoption of nuclear-free declarations to be countered. However, the leadership of the ruling party found itself faced with the prospect of serious complications locally. Many liberal democrats, often from electoral considerations and sometimes as a matter of principle even, were not in agreement with the position of the leadership and refused to submit to it on this issue.

The enhancement of the role of "city" or "local" antinuclear movements was manifested particularly strikingly during the preparations of the International Conference for the Banning of Nuclear Weapons in 1985, when, under the conditions of a lack of unity among the country's main antinuclear centers, they assumed a considerable amount of the preparatory work. Specifically, they launched powerful campaigns for the collection of signatures to various antiwar appeals and petitions. Some 2.3 million signatures to an appeal from Hiroshima and Nagasaki were collected, for example, in Osaka Prefecture.¹⁷ In many other cities it was the mobilizing possibilities of the "local" movements which led to the adoption of declarations on the proclamation of nuclear-free zones.

V

A number of interesting new features in the approaches to the present-day antiwar movement on the part of public forces of the PRC and Thailand and also the antinuclear struggle of the peoples of the small island states, to which increasingly great political significance

has been attached in recent years, merit separate independent study. We would note merely such an immensely significant fact as the revived interest among the Chinese public in participation in the peoples' worldwide struggle for peace and disarmament. Not only the important international forum in defense of peace held in Beijing in the summer of 1985 but also the appearance on the country's domestic political scene of the Chinese People's Association for Peace and Disarmament and also the active and concerned participation of representatives of the Chinese public in a whole number of international conferences, forums, symposia, seminars and exhibitions pertaining to disarmament and antiwar subjects testify to this.

Pronounced changes are also occurring in the consciousness of the Thai intelligentsia, student and scientific, in the main. This applies primarily to Chulalongkorn and Thammasat universities. Progressive forces united around these intellectual centers of the country are taking merely the first steps in the antiwar, antinuclear enlightenment of the people, but it is hard to exaggerate their significance.

It is difficult to imagine the entire diversity of tints and hues constituting the wide spectrum of antiwar forces without consideration of the peacemaking activity of every conceivable religious and clerical organization and also groups formed on a confessional basis. Their activity has, as a rule, more of an informative load and influences a growth of social self-awareness and an increase in the assertiveness and general nature of antiwar, antinuclear protests. It is sufficient to recall the support which was rendered the idea of the formulation and signing of the Rarotonga Treaty by the Pacific Conference of Churches, which is the leading association of various churches and religious currents in the South Pacific. A pronounced contribution to the development of the antinuclear movement in the region is being made by such organizations as the Asian Buddhist Peace Conference, Soka Gakkai, the Society of Prayer for World Peace, the All-Japan Religious Organizations Liaison Council, the Council of Churches of the Philippines, the National Council of Churches of New Zealand, the Australian and New Zealand Catholics for Peace associations, Ministers for Peace, the Church for Peace, the Quakers and also many other movements of a religious focus.

VI

A reality of our days has become the growing aspiration of the region's peaceable forces to the coordination and unification of their efforts in the struggle for peace on a Pacific scale and the expansion of relations with the world antiwar movement. Evidence of this trend has been the holding in recent years of a large number of regional conferences of peace-loving forces, the most significant of which were the international conferences For Peace in Asia and the Pacific (October 1985, Sydney), For the Prevention of Nuclear War and the

Elimination of Nuclear Weapons and a Nuclear-Free Pacific (April 1986, Naha, Okinawa) and also the fifth conference of the Movement for a Nuclear-Free and Independent Pacific held in November 1987 in Manila. All this is graphic testimony that problems of war and peace and national survival are reaching with ever increasing seriousness the consciousness of the broadest people's masses, prompting them to actively support the removal of the threat of nuclear war from the life of mankind. With every passing day an increasingly large number of people in the region is beginning to understand that nuclear disarmament cannot remain the monopoly of politicians for it is a question of life itself.

At the same time together with the factors contributing to the formation and buildup of the antinuclear, antiwar movements in Pacific region countries negative trends limiting their scale, fettering their assertiveness and markedly reducing their authority and influence on the masses exist and preserve their significance. They are connected primarily with the domestic political situation in a number of countries, the nature of the ruling regimes in which makes impossible the mere existence or legal activity of any antiwar public movements. In some cases there are attempts by reactionary circles to split the movement by way of the creation of fictitious decoy organizations and divert it from the accomplishment of its primordial fundamental tasks. Extensive use is being made to this end of anti-Sovietism, anticommunism and attempts to discredit the antiwar movement in the eyes of the Pacific community, it being accused of carrying out the "Kremlin's instructions," and impose the guideline of the equal responsibility of the "two superpowers" for the continuing arms race.

Not everywhere have the trade union, youth, student and women's organizations been actively enlisted in antiwar activity. An essential negative feature curbing the scale of the movement is the presence in individual countries of a whole number of organizations holding similar positions, but, owing to a number of purely subjective factors, incapable of providing for the coordination of their efforts in the name of the achievement of common goals.

In a number of cases one also encounters the existence of well-known sectarian tendencies. While paying lipservice to the broad unity of all peaceable forces, in practice their exponents reject the equal right of all to participate in the common struggle for a nuclear-free and nonviolent world. The united antinuclear front of the Pacific peoples is thereby weakened, a great deal of effort and time is wasted in vain in constant confrontation and the movement is being diverted from the accomplishment of its cardinal tasks.

A particular weakness also is the orientation of a number of antiwar and antinuclear organizations and movements toward some one political party, an absence of daily activity, the pretentiousness of certain statements

of the peace fighters, insufficient militancy and orientation toward specific actions in certain groups and organizations and the substitution locally for painstaking and strenuous work of a general appeal to world public opinion.

Nonetheless, the real results which have been achieved by the peoples of countries of the APR in the struggle for peace, disarmament and the elimination of nuclear weapons enable us to mention the following important point. The world antiwar movement is sometimes seen, as before, through the prism of Eurocentrism or from the traditional angle of relations between the USSR and the United States. However, the time has come to recognize that the very concept "world antiwar movement" has today become far broader and fuller than our traditional ideas in respect of it. We perhaps missed to some extent that most interesting moment when the peoples of the APR moved in a broad front to the forefront of the world struggle for survival and enriched the peace movement with their experience.

The development of the antiwar movements, the enlistment therein of broad public strata and the growth of the antiwar self-awareness of the peoples of the APR together with the peace initiatives of the Soviet Union, specifically, the Vladivostok and Krasnoyarsk proposals, the other socialist countries and the developing and certain capitalist states are creating propitious conditions and prerequisites for an upsurge of a new, even more powerful wave of the peoples' demonstrations for a peaceful and secure Pacific.

At the same time particular significance is attached under present conditions to the question of the fruitfulness of the antiwar demonstrations. People taking to the streets with antiwar slogans wish to see specific results of the struggle and its embodiment in the actual policy of their states. As the experience of recent years shows, it is difficult without this to avoid in the ranks of the peace supporters moods of apathy and skepticism and the drift away of some participants in the movement disenchanted with its actual possibilities. This is why each new victory of the antiwar forces and each step forward, even the tiniest, is particularly important now.

Long and intensive struggle for a nuclear-free, peaceful and secure Pacific, in which the voice of each individual and the public of each country is important, lies ahead.

Footnotes

1. K. Marx and F. Engels, "Works," vol 7, p 233.
2. PRAVDA, 23 July 1987.
3. "Grassroots movement" (English) means, literally, "movements of the roots of the grass".
4. See P. Hayes, L. Zarskiy, W. Bello, "American Lake. Nuclear Peril in the Pacific," Australia, 1986, p 405.

5. The National Council for the Banning of Nuclear Weapons and for Peaceful Building ([Kakkinkaygi]), of which members of the ruling LDP, Democratic Socialist Party and All-Japan Congress of Trade Unions were a part, had further been created in 1961.

6. See "Campaigning for International Cooperation and Disarmament". CICD, Melbourne, 1986.

7. See "Documents of the Annual Conference of New Zealand Council for World Peace. President's Report from Gerald O'Brien," Wellington, 1985.

8. Under pressure from the country's antiwar forces the R. Hawke government canceled the accord in this connection with the United States in February 1985.

9. See "Peace Movement-Aotearoa," Wellington, 1986.

10. "Report on the Proceedings of the First International Conference on General Disarmament, World Peace and Removal of All Foreign Military Bases," Quezon City, 1983, p 2.

11. See PRAVDA, 26 March 1983.

12. MAINICHI WEEKLY, 8 August 1984.

13. See K.D. Suter, "Nuclear Free Zones: Some Basic Questions," Sydney, 1986, p 24.

14. CALL FOR PEACE AND PROSPERITY, vol I, No 111, 1987, p 24.

15. The full list of nuclear-free municipalities is adduced in the bulletin NO MORE HIROSHIMAS! vol 31, No 1, 1987. Altogether they constitute more than two-thirds of all the country's local authorities.

16. OSAKA SEGODNYA No 21, 1987, p 19.

17. See *ibid*.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Italian Communist, Socialist Parties Confer on West Europe's World Role

[Editorial report] 18160004z Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 11, November 1988 publishes on pages 128-133 a 4,200-word report by Nadezhda Konstantinovna Arbatova, candidate of economic sciences and senior researcher of the Institute of the World Economy and International Relations of the USSR Academy of Sciences, headlined "Scientific Life: Italy's Left Forces on the Future of Western Europe." The report chronicles a conference entitled "Europe at a New Stage of International Politics," which was held in

Rome in April of 1988. "Leading figures of the Italian Communist Party [PCI] and of the Italian Socialist Party [PSI], as well as diplomats and scholars participated." Arbatova summarizes speeches to the conference by Alessandro Natta, then PCI general secretary; by Giuseppe Boffi, PCI Central Committee member: "New Ideas for Security, Coexistence and Cooperation in Peace"; by Giorgio Napolitano, member of the PCI leadership: "For a New Political and Military East-West Balance and for a New Role for Europe"; and by Bettino Craxi, PSI political secretary. The PCI leadership presented a document entitled "Security Policy in Italy and in Europe," which it had adopted in November 1986.

Book on National Liberation Movements Reviewed

18160004m Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 11, Nov 88 pp 134-137

[G. Mirskiy review: "Light and Shade of Our 'Third World Studies'"]

[Text] A reader glancing at the cover of the book in question would hardly be inspired by its title, which is, to put it mildly, not that original and attractive. But those who for this reason pass by the group work devoted to most interesting and pertinent problems will be making a mistake. The work merits familiarization not only on the part of international affairs scholars, lecturers and field workers dealing with the "third world" but also of all who are not indifferent to the prospects and destiny of mankind. After all, the majority thereof lives and will continue to live in Asia, Africa and Latin America, and it will depend on this majority what kind of planet it will be....

The book is worthy of attention for two reasons. First, the wealth of factual material, concentrated mainly in "regional" chapters, creates a multicolored picture not only of the ideological situation but also of political and social life generally in India and Indonesia (it is these countries which I wish to distinguish particularly, the sections devoted to them being the most interesting), in the Near East, in certain regions of Africa and so forth. Second, the depth and innovativeness of the analysis of problems briefly identified as "traditions and distinctiveness" in chapters 2 and, particularly, 3, which, in the reviewer's opinion, may be called the "pearl" of the whole work.

The cardinal problem of the entire process of the spiritual formation of the new, independent society, a process with which the social and political singularities of the character of the new states are directly connected, became noticeable soon after the collapse of the colonial system. We are dealing with very difficult questions: how to combine the inevitable aspiration to modernization (and this term has become synonymous with the surmounting of backwardness, that is, a most important imperative of the entire liberation movement) with the

natural inclination to preserve distinctiveness and the particular inimitable character of the Asian and African peoples? How to prevent the East, having embarked on the path of "catchup development," becoming an inferior copy of the West? How to introduce the achievements of the industrial civilization of the 20th century into the fabric of the traditional philosophy and way of life of ancient Asian and African societies alien to this civilization in terms of its entire spirit, preserve the continuity of culture and not lose the "soul of the people"?

Of course, this problem confronted with particular seriousness the young national professional classes. Their organic duality consisted of the fact that, while having been raised in the "Western school" and having assimilated the language and culture of yesterday's colonizers, they at the same time aspired to a greater extent than other social strata to preserve or revive society's traditional spiritual values.

It was essential to find some middle line. "Neither a defense of outmoded traditions nor a nihilistic denial of the entire past contribute in any way to progress, spiritual development particularly, since the latter is possible only given a solicitous, critical and creative attitude toward traditions" (p 37). Easily said, but groping one's way toward such a path is incredibly difficult in practice. This agonizing quest is described on many pages of the book.

An understanding of the essence of the notorious "third world instability" and the turbulent events occurring therein is facilitated to a large extent by the analytical conclusion of the author of chapter 3. He maintains that the processes under way in the developing countries "are making problematical the fate and forms of existence of vast masses of the population, which cannot be associated with bourgeois forms of modernization and find themselves 'ejected' beyond civilized life. The crisis of the earlier forms of the organization of society is threatening the disintegration of both social relations and philosophical principles and is being felt most keenly in the consciousness, leading to dramatic discharges of vast amounts of energy consisting of pent-up feelings of disappointment, despair and hatred" (p 49).

The chapter distinguishes three types of cultural contradictions typical of the Asian and African world: between traditions and contemporaneity; between West and East, where the first "was the exponent of the pernicious and destructive, and its own contribution, which was still to be found and established, was the basis of the survival and preservation of society and struggle against foreign subordination"; and between local nationalist tendencies and universalist currents "for unification on a pan-national political and religious-cultural basis (pan-Africanism, pan-Arabism and others)" (pp 55-56).

The most important of these contradictions are the first two, which in practice merge and interweave. "Recognition of the equal bane of both extreme conservatism and the unconditional adoption of Westernization gave rise to an intensive search for a combination of these opposites in some balanced symbiosis," the book observes (p 59). "The call for a combination of 'the best taken from both worlds' is becoming a most important trend in the social thought of the oriental countries as the West European powers penetrate the latter. In accordance with this, 'Western technology' and 'oriental morality' should be combined in some system providing on the one hand for the stability and unity of society and, on the other, for its technological development" (p 60).

In reality, all has proven far more complex. The oriental and African society is sharply opposed to "what leads to the destruction of the former principles of local solidarity and hierarchy and the rules of behavior associated with them. The elimination of the former ceiling of limitations on consumption brought about a tremendous gratification toward external factors" (p 61). The threat of bourgeoisification arises, and "the cultural modernization being established by the West represents a dehumanization of existence, denial of the significance of national cultures and the affirmation of individualism and narrow economic rationalism" (ibid.). The principles of "endogenic development" based primarily on internal sources of the stimulation of society's activity are being advanced (p 67).

Although hyperbolized by thinkers from the developing countries, the significance of spiritual factors is emphasized particularly strongly in the work. The author of the chapter in question believes that it is not enough to explain this hyperbolization by a nonacceptance of excessive "economism". In his opinion it is, further, a question of the "need to comprehend the purpose of spiritual production, without which the fully fledged functioning of social production is impossible" (p 70). He concludes that "the socio-cultural system of the bourgeois West encounters the tremendous 'impenetrability' of other cultures depriving it in these countries of its organic and stable character" (p 72). But this has a reverse side also: "clan, tribal, caste and ethnic relations, rules and considerations dominate professional, class or national principles, engendering, specifically, corruption and nepotism" (p 61).

Anticapitalist sentiments are widespread in the social thought of oriental countries. The book quotes the American professor (K. Yang): "No one likes capitalism, and there is something shameful in eulogizing it" (p 114). The chapter devoted to South Asia says: "there are few people who would openly defend the proposition that the difficult problems of the economic and social development of this region may be tackled successfully on the paths of capitalism" (p 217). But is it legitimate to conclude from this that the broad people's masses "support a socialist prospect of their countries' development" (ibid.)? What do these broad masses essentially

know about socialism? After all, the author of the same chapter observes: for "many Indian workers" the very word "socialism" might sound abstract "since such concepts as duty and destiny predetermined from above have been instilled in them from generation to generation" (p 202).

We would add that the actual results of the development of Asian and African countries of a socialist orientation cannot as yet serve as an inspiring example. Socialism is seen as an ideal, as some far-off dream, and in real life capitalism is still developing, and the author of the next chapter (on Southeast Asia) maintains: "The choice in favor of bourgeois development has already been made, and the correlation of class forces in these countries is not yet such that the supporters of a socialist or revolutionary-democratic alternative may really lay claim to its immediate revision" (p 222). But the same, evidently, may be said about India and also about the majority of African countries, in respect of which the conclusion that revolutionary-democratic ideology "has already captured the minds of hundreds of millions of people" (p 295) seems a clear exaggeration.

Yet religion really does possess the minds of hundreds of millions of people, and chapter 6 comprehensively explains the reasons for this. "The fact that official ideology in the majority of oriental countries of the 1950's-1960's preferred modernist, and not traditional, ideals largely contributed to its loss of mass influence and the emergence of an ideological vacuum, which in the 1970's inevitably came to be filled by traditional forms of religious ideology" (p 150). And, further: "In periods of political crises religion's invasion of politics intensifies. And it is stronger where the process of the secularization and modernization of society at the preceding stage had developed more rapidly" (p 152).

Religion is integrated with nationalism, and the ideas of a "third" or middle way of development arise on the basis thereof (p 155). In Southeast Asian countries, under conditions "where access of new ideas to society is limited and social activity is strictly regulated, people's spontaneous anti-imperialist, anticapitalist democratic aspirations frequently find their ideological arrangement in religion." Religious thinking is for the majority of the Muslim population of this region the basic form of recognition of their interests. Islam "acts as the ideological arrangement of the nationalism of a nation which is oppressed or, at least, frustrated in its situation" (pp 233, 235, 237).

The classification of Islamic ideological currents, which the author divides primarily into two basic types—traditionalist and reforming—proposed in chapter 6 is of interest; he also distinguishes in the latter type, in turn, two currents—fundamentalist and modernist. The traditionalists are opposed to all forms of religious reform ("all has been spoken and confirmed once for all"), and they counterpose Islam to nationalism. While operating

under the slogan of a revival precisely of the fundamental principles of Islam, the fundamentalists aspire at the same time to adapt these principles to the present day; while not ignoring and rejecting nationalism, they attempt to substitute religion for it or synthesize nationalism with Islam. Finally, the modernists, on the contrary, "integrate Islam in nationalism, subordinating the first to the second here" (p 158). "Traditionalism is the ideology chiefly of the feudal strata, Muslim modernism, of the bourgeois strata, and the teaching of a 'revival of the faith' or fundamentalism reflects the interests of various groups of the petty bourgeoisie" (p 159). Granted the somewhat oversimplified nature of this unduly rigid class identification, this proposition would seem justified, in the main.

Unfortunately, together with profound and interesting conclusions the book contains a number of propositions which today appear dubious or outdated reflecting the traditional "orthodox" approach to phenomena. This applies particularly to chapters 4 ("Development Prospects of the Young States and the Ideological Struggle") and 9 ("Ideological Currents in Near East Countries"). Thus speaking of the mid-1980's, the authors maintain on page 75 that, as a whole, "the national liberation movement was characterized by an anticapitalist thrust." I would like to know which events and processes and in which countries specifically are meant. One can glance in one's mind at the entire horizon of the "third world" from the Philippines through all of Asia and Africa to Chile and Peru and "turn over" in one's memory many stormy events reflecting the struggle against foreign and domestic forces of oppression. But as for facts proving the anticapitalist essence of these phenomena, as, equally, "the increased attractiveness of Marxist-Leninist ideas" (about which the following page speaks as being self-evident—after all, "it cannot be otherwise"), revealing such facts in the mid-1980's is difficult.

Or take another claim: "The scientific approach of figures of revolutionary democracy to an analysis of the different types of revolutions is of tremendous significance in the achievement of successes by the countries of a socialist development orientation" (p 82). What successes, in fact, with respect to the countries of this category in the 1980's? Against the background of the universal economic difficulties, the continuation of an extremely low living standard, the unprofitability of the public sector, the crisis of agricultural production and the growth of corruption and the black market (not to mention the collapse of this development "model" in Guinea, the dire military-political situation in Angola and Mozambique, the fratricidal carnage in South Yemen and so forth) the successes, which there have undoubtedly nonetheless been, appear quite modest, and speaking of the "scientific approach," and of "tremendous significance," what is more, is altogether odd. The reasons for failures can and should be analyzed and the conclusions drawn from them (they are so drawn,

incidentally, by the leaders of the countries in question themselves), but what is the point of engaging in apologetics and "embellishment"?

Little is added to an understanding of the heart of the matter by the cliched phrase concerning the fact that the bourgeoisie is "conditionally divided into anti-imperialist and pro-imperialist... patriotic or conciliationist" (p 263). Precisely! "Conditionally" to such an extent that this division begins altogether to be meaningless if one looks at the actual bourgeoisie of the Near East (and it is this region which the chapter deals with). In fact, how to categorize the bourgeoisie of Egypt, Jordan, Syria, Lebanon and so forth, in accordance with specifically what criterion to distinguish the "anti" and "pro" factions, who exerts what kind of influence on governments' policy and, finally, in what is this expressed? If the authors know the answers to the enumerated questions, they should have shared this specific knowledge with the reader, and not made do with general phrases.

We can hardly agree that the disintegration of the united front in Iraq occurred as a consequence of the exacerbation of ideological disagreements "between the Communist Party and the Ba'th party in power,"¹ as is maintained on page 276. The organic aspiration of the latter to a monopoly of power and influence on the masses and the elimination of any competition and opposition was far more important.

And how can the following claim be justified and proven: "Consistent patriots and anti-imperialists of all views and all origins are persuaded by life itself of the need for reliance primarily on the working class and the toiling peasantry and an orientation toward a truly scientific, Marxist-Leninist explanation of the regularities of the class and political struggle" (p 277)? Who specifically in the Near East is meant—Ba'thists, the PLO or someone else? This phrase is an example of how the authors proceed not from reality but from an idea, from what theoretically "should be".

As a whole, the book in question graphically illustrates the complexity and contradictoriness of the ideological situation not so much in the "third world" as in our country. Together with a sober, creative and scientific analysis one still senses strongly therein the influence of the period when what was valued most highly was not an actual explanation of reality but the correspondence of what is written to ideas and artificial constructions designed to pass off what one would like to see for what is.

Footnotes

* "Natsionalno-osvoboditelnoye dvizheniye i ideologicheskaya borba" [The National Liberation Movement and the Ideological Struggle], Moscow, "Mysl", 1987, 359pp.

1. Ba'th—Arab Socialist Renaissance Party called for short "Ba'th" (Renaissance).

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".

"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Soviet Scientists' Committee Book on SDI Reviewed

118160004n Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYE OTNOSHENIYA in Russian No 11, Nov 88 pp 137-139

[A. Savelyev review: "The SDI Program: Dangers and Impasses"]

[Text] The book offered the readers' attention by a group of associates of the USSR Academy of Sciences Space Research Institute and United States and Canada Institute,* published under the aegis of the Committee of Soviet Scientists in Defense of Peace, Against the Nuclear Danger, is devoted to an examination of a pressing problem of contemporary international relations—the "strategic defense initiative" (SDI) program which the United States has been implementing since 1983. This program has, as the authors observe, become at the present time "a central component of the United States' foreign and military policy" (p 3). It may be added to this that it has also become a basic issue of the Soviet-American negotiations on the limitation and reduction of strategic nuclear arms, threatening to become a most serious obstacle in the way of the achievement of such an agreement.

The vast majority of Soviet publications on SDI subject matter concentrates attention on the military-strategic and political aspect of the question. Without a most serious technical-economic analysis it is impossible, in our view, to discuss in any way objectively all other aspects of the realization of this program either. A comprehensive analysis of the latter is a distinguishing feature of this study. It is this approach which enables the authors to conclude that "the accomplishment of the task of the creation of dependable strategic defenses requires major changes, possibly, fundamentally new ideas simultaneously in practically all fields of engineering and technology on which such a defense system could be based" (p 110).

The survey of the technical-economic and military-political state of realization of the SDI program and the extensive selection of Western material accompanied by commentary from our specialists enables the reader to assess independently the degree of probability of the creation of a broad-based ABM system with space-based components and also the level of the possible dangers which ensue from the American plans to deploy such a system.

It is important to note that the book examines the question of the offensive potential of space-based systems. The point being that the sphere of so-called "space-based attack arms" (UKV) has been studied insufficiently fully in Soviet studies of subject matter of the military use of space, although a number of interesting works on this topic has already been published. Different authors provide a different interpretation of these systems, but more often than not provide none at all. Some include in the UKV category all systems capable of destroying objects in space and delivering strikes from space against earth; others understand by UKV only arms placed in orbit and capable of delivering strikes against ground, air and space facilities for the purpose of weakening the retaliatory strike of the victim of the aggression. In the first case people speak of a wide spectrum of arms, including space-based ASAT and antimissile arms; in the second, only of a fundamentally new weapon, whose development is not directly a part of the mission of realization of the SDI and which could only be a product of the further evolution of space-based ABM defenses.

Nor does the work in question provide an interpretation of the "space-based attack arms" concept, but it is important that it examines specifically the following questions: how and in what capacity could the weapons systems being developed within the SDI framework be used and how realistic are the prospects of the appearance of these systems in the immediate future. The authors' conclusion is quite unequivocal: we may speak at the present time merely of the potential for the creation of new-generation ASAT systems (p 160), but by no means of weapons capable of attacking from space a wide spectrum of targets on earth and in the atmosphere.

This conclusion is, it would seem, very fundamental inasmuch as there are in broad strata of the Soviet public certain apprehensions in connection with the fact that the United States could in the very near future create and deploy new space-based arms systems capable of launching surprise attacks on ground targets. If there are circles in the United States urging the development of such weapons, tremendous difficulties of a technical and economic nature stand in the way here, not to mention the political inhibitors of both a domestic and international-legal nature.

As far as the economic aspects of the creation and deployment of new ABM systems of the United States are concerned, these questions are illustrated in detail in the second chapter of the study, and specific information concerning the resources already spent on individual SDI programs and also assessments of future expenditure on the final development and deployment of these systems is adduced. The authors cite an interesting fact: the U.S. Administration is at the present time evading in every way possible estimates of the full cost of this program, which, a number of independent experts calculates, fluctuates from \$500 billion to \$1.5 trillion (p 195). Were the Washington leadership to acknowledge in one

way or another the justice of these calculations, it could hardly enhance the popularity of SDI with the American taxpayer. In addition, even the commanders of individual arms of the services would hardly consent to a sharp reallocation of military appropriations in favor of the SDI, which would be inevitable in the event of the adoption of a decision on the engineering development and deployment of U.S. ABM systems.

Such apprehensions are being expressed even now by certain representatives of the U.S. military department. All this is reflected in the wide-ranging debate under way in the country concerning various aspects of implementation of the "strategic defense initiative," a survey of which is adduced in the third, final, chapter of the book.

The detailed analysis of the evolution of the debate between the opponents and supporters of the SDI is of great interest for the reader. The authors adduce not only the arguments against continuation of the work on this program but also those, frequently quite serious, in support of its further development employed by the U.S. Administration and the defenders of R. Reagan's "initiative". An important point of the debate, in our view, is the question of the Soviet-American ABM Treaty, which is without a time limit, in the light of the attempts to impose on Congress and the public its so-called "broad" interpretation.

The book says frankly that in the course of the work on projects within the SDI framework considerable vagueness arises as to which specific action should come under the restrictions of this treaty, and which, not, on which the SDI supporters are attempting to speculate. In particular, this applies to "dual-purpose" hardware—ASAT weapons—whose development, testing and deployment are not restricted by any agreements. This subterfuge makes it possible to perform work within the framework of the creation of ABM defense. It is rightly noted that "the most difficult problem in an interpretation of the treaty's provisions concerns the so-called 'dual-purpose hardware,' which could be used in an ABM system" (p 286).

The authors conclude that the continuation of the SDI program and possible U.S. attempts to create and deploy new antimissile systems (whether limited or broad-based defense) create a real danger of the parties being pulled into a "vicious circle" of the continuation and intensification even of the arms race (p 324). The USSR would be forced here to adopt certain countermeasures, which would reduce the efficiency of the ABM defenses, which, in turn, would stimulate continuation of the corresponding work in the United States. Thus there can be no question even of the parties' transition to "purely defensive" arms, which is today acknowledged by both the opponents and many supporters of the SDI. ABM defenses may only be an addition to the existing arsenals of strategic arms, whose continued modernization and buildup is part of the administration's plans.

As a whole, the book in question creates the impression of a serious and in all respects useful work of great interest to both specialists and readers interested in this subject matter. At the same time a number of shortcomings cannot be overlooked. And the main one, in our view, is the fact that the authors frequently avoid expressing their own position concerning the prospects for the SDI. After all, it is this which is most pertinent from the viewpoint of the future not only of Soviet-American relations but also international politics in all its manifestations.

Certain conclusions of Western experts, who proceed from the fatal inevitability of continuation of the SDI in this form or the other, as, equally, the just as inevitable broad application of the results of the work pertaining to this program in many spheres of military organizational development (p 336), could have been disputed. We are today indeed observing an abrupt rise in the quality of many weapons systems at the disposal of the armies of the United States and the NATO countries. And the process of their improvement will in all probability continue in the future also. But the "strategic defense initiative" program should hardly be directly linked with S&T progress and the use of its results in the military sphere. The SDI itself was largely born of this progress, as, equally, of the long postwar confrontation of the USSR and the United States, the aggressive policy of imperialism and the stagnation phenomena in our society. Nor did these phenomena bypass the spheres of military development and international relations, which until recently existed independently, as it were, without an ostensible relationship.

And if it may be maintained that the process of the upgrading of arms in this form or the other will continue in the future also, regardless of realization of the SDI, the prospects of the American "initiative" will also depend to a considerable extent on the constructiveness of the foreign policy course of the USSR, a full consideration of current realities and practical realization of the proposition of the 27th CPSU Congress concerning a political solution of the problem of security. From this viewpoint the authors' concluding statement to the effect that "the Soviet people and the Communist Party depend on their armed forces, doing everything to strengthen them, and are sure that no aggressor could catch the USSR unawares" (p 342) sounds somewhat one-sided.

The SDI, like the majority of military programs of the United States and NATO, has been justified by fear of the USSR and the socialist countries. The removal of this argument by way of decisive transformations in our country's domestic and foreign policy, military included, could really contribute to a strengthening of trust and stability in the world and create the conditions wherein the "star wars" program withers away for lack of need or becomes a program of peaceful and constructive cooperation between the two great powers and East and West as a whole.

Footnote *

"SOI—amerikanskaya programma 'zvezdnykh voyn' (Sbornik obzorno-analiticheskikh materialov o tekhniko-ekonomicheskikh i voyenno-politicheskikh aspektakh SOI)" [SDI—the American 'Star Wars' Program (Digest of Review-Analytical Material on the Technical-Economic and Military-Political Aspects of SDI)]. Committee of Soviet Scientists in Defense of Peace, Against the Nuclear Danger, Moscow, USSR Academy of Sciences United States and Canada Institute, 1987, pp360.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".

"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Book on U.S. Policy in Asia-Pacific Region Reviewed

18160004o Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 11, Nov 88 pp 139-141

[A. Bogaturov review: "Washington's Pacific Policy: Positive Changes Needed"]

[Text] The positive changes in Soviet-American relations are opening the way toward a lowering of tension in Europe and contributing to an improvement in the global international situation. The need for the extension of the detente trends to the Asia-Pacific region is perceived particularly keenly against the background of these changes. The appearance of the monograph in question* would seem so opportune for this reason.

The period of the end of the 1960's—that of the active formation of the conceptual principles of Washington's approach to detente policy at the time of the R. Nixon administration—was chosen as the point of departure of the study. The historical segment proposed by the author enables the reader to form an idea of the basic regularities and particular features of the United States' Pacific policy in the context of the downturns and upturns in Soviet-American relations, which, in turn, depend to a certain extent on the predominance of realism or standard anticommunist cliches in American ruling circles.

The work rightly cites as being among the most important motives of the United States' departure from the policy of open confrontation with the Soviet Union at the start of the 1970's the change in the American ruling elite toward an understanding that "foreign policy based on the concepts of 'cold war' times had proven not only ineffective but had led to an excessive strain on the forces...." (p 11). The basis of this recognition was the pointlessness of the military-power approach under the conditions of military-strategic parity and an endeavor to find new methods of achieving the ends of U.S. global policy adequate to the dynamics of international realities.

This mood had taken shape to a considerable extent under the impact of the crisis which American society had encountered as a result of the U.S. aggression in

Indochina. A powerful accelerator of the R. Nixon administration's change toward detente was, as the author emphasizes, the rapid growth in the numbers of supporters of an immediate halt to the Vietnam adventure among broad strata of the U.S. population and significant numbers of the ruling camp. A particular part in the development of dialogue with the socialist countries was also played by the demands of the public, business circles and politicians concerning a normalization of relations with China "with regard for the new international role of the PRC" (p 23).

The changes in the system of U.S. foreign policy priorities in the Asia-Pacific region following the end of the war in Vietnam naturally brought Washington's leaders to the thought of the need for a search for new approaches to relations with their allies. It was thus proposed compensating for the reduced American military presence in Asia.

In this sense, the work notes, particular significance came to be attached to the development of ties to Japan. In the period of the Democrats' term in office, when J. Carter was in the White House, the actual outlines of the formula of "mature partnership" of the United States and Japan began to take shape. Its adoption by both parties was the start of qualitative changes in the development of the American-Japanese military-political alliance. As N. Fedulova rightly observes, "Japanese ruling circles' interest in the development of constructive dialogue with the Soviet Union... noticeably weakened as this tendency strengthened" (p 61).

The open transition, as of 1981, of the R. Reagan Republican administration "to global confrontation with world socialism," which the work sees as an attempt "to return the world to a strict bipolar structure" (p 111), essentially meant a return to interpretations of the realities of international life solely in the categories of military power and from the standpoints of the achievement of strategic superiority to the USSR. This change exerted a negative influence on the entire system of the United States' relations with countries of the Asia-Pacific region and brought about a sharp increase in mistrust and tension in this part of the world.

We have to agree with the author that this policy failed to produce for Washington the anticipated results and even contributed to some extent to "a weakening of the United States' international-political positions, particularly in the Asia-Pacific region" (p 178). In any event, the U.S. Administration was unsuccessful in neutralizing the influence there of the Soviet Union, the PRC and Vietnam or achieving the subordination to its military-political aspirations of the ASEAN states. In addition, the stimulation of Washington's military-power game brought about the stormy retaliatory reaction of the peoples of the region which developed into a powerful surge of the antiwar, antinuclear movement in many countries of Asia and Oceania.

It is significant that a certain stagnation was revealed in the mid-1980's in American-Chinese relations also, about which the book speaks in relative detail (pp 143-157). The objective laws of development compelled American political thought to look anew at the limits, forms and ideological basis of the continued development of relations between the two countries.

Questions associated with an objective evaluation of American-Chinese relations and the role and place of the PRC in the system of the international relations of the 1980's are not, as is known, among the simplest in our science. Errors en route to the truth are natural also. Nor is the monograph in question impeccable from this viewpoint, it would seem.

Specifically, the work adduces the viewpoint, well known in the past from our press, concerning the J. Carter administration's intention of using American-Japanese-Chinese relations to "create a strategic preponderance in the world balance of forces" (p 90). The author evidently has no doubt as to the seriousness of these U.S. calculations. But what was the actual correlation in U.S. policy of the elements of anti-Soviet rhetoric and sober analysis? Soviet scholars have yet to provide a clear answer to this question. Nor has N. Fedulova ventured to break the silence.

Yet it would seem that the facts testify in support chiefly of the propaganda nature of the idea of the "strategic interaction" of the United States and China even at the end of the 1970's. In any event, in the period of the PRC's military action against Vietnam in February 1979 the U.S. Administration was entirely unambiguous in declining to support China, thereby canceling out anybody's hopes for the reality of the parties' parallel actions in the military-political sphere.

The study also underestimates the ideological-political component of American-Chinese relations. The author skirts the issue of the serious theoretical changes in the PRC's foreign policy program following the 12th CCP Congress in 1982. But they have shown, in our opinion, that the contradictions between the two countries are of a profound, basic nature, and this quite clearly determines the general framework of the development of their relations.

Summing up, we would note that, as a whole, the book in question shows the evolution of Washington's Pacific policy sufficiently fully and convincingly. The work is constructed on the basis of a vast amount of factual material and written in a lively form. The author leads the reader directly to an understanding of the futility of a confrontational approach to international relations in the Asia-Pacific region and the need for positive changes in U.S. policy in this part of the world. This determines the significance and relevance of the book.

Footnote

* N.G. Fedulova, "Evolutsiya politiki SShA v aziatsko-tikhookeanskom regione. 70-80-e gody" [Evolution of U.S. Policy in the Asia-Pacific Region. 1970's-1980's], Moscow, Glavnaya redaktsiya vostochnoy literatury izdatelstva "Nauka", 1987 pp 191.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Book on France's Role Within EC Reviewed
18160004p Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 11, Nov 88 pp 141-142

[A. Sidorov review: "Paris' 'European' Choice"]

[Text] Since the time of its formation the European Community (EC) has covered a path from an integration grouping which emerged mainly on an economic basis to a political association whose role and significance in the present system of international relations has to be taken into consideration. At all stages of its formation a significant role was performed by France, which has participated actively in "European building".

The work in question* begins with an investigation of the prehistory of the creation of the regional grouping in postwar West Europe. The positions of the main European states and the United States and the interaction of the basic factors which brought about the creation in 1951 of the European Coal and Steel Community (ECSC) and its subsequent conversion into the EEC in 1957 are analyzed here. The circumstances and causes of the failure at the start of the 1950's of the plans to create an EDC (European Defense Community) and a European Political Community associated therewith are studied laconically, but sufficiently fully. And although the supporters of the accelerated politicization of the EEC were thereby dealt a palpable blow, the evaluations adduced by the author show convincingly that even then the founders of "little Europe" had not at the same time lost sight beyond the immediate goal—creation of an economic union—of the main goal also—"preparing a political union... of the peoples of Europe" (p 33). In turn, sharing this viewpoint, French ruling circles hoped to solve with the aid of the Community a whole set of problems of an economic, political and social nature, weaken with the passage of time U.S. diktat and retore their positions in the world. The first to attempt to realize these plans was General de Gaulle, whose activity predetermined for a long period the development trends of both France and all of "little Europe". The material of the book makes it possible to gain a clear idea of the particular features of his approach to a solution of most important political problems, to the establishment of an equal dialogue with the United States and NATO included.

As the work shows, the struggle for a strengthening of the conditions of the common agricultural policy, persistent attempts to weaken elements of supranationality of the European institutions and measures to prevent Great Britain's admittance to the Common Market, in particular, stood out among the important aspects of the French leadership's activity in that period. In compiling and analyzing them Yu. Mayevskiy leads the reader to conclude that within the framework of orthodox Gaullism it was becoming increasingly difficult for France to preserve its positions on the international scene without greater consideration of the interests of its partners.

The analysis offered in the book of the situation in the Community on the frontier and at the start of the 1970's is concentrated, in the main, around the three, probably, most interesting problems: Great Britain's joining of the EC in 1972; the plans for the creation of an economic and monetary union; Paris' struggle against U.S. hegemony in Europe. And although a certain adjustment of its political reference points was required of France here, it succeeded, availing itself of the tacit support of its partners in a number of cases and relying on its increased political authority, in rallying the European countries around the idea of the Community's greater independence in international affairs.

The book examines in the most detail the situation as of the mid-1970's through the present. A significant point is, from our viewpoint, the fact that the leadership headed by V. Giscard d'Estaing, while not as a whole departing from Gaullist principles but taking into consideration the changes which had occurred in Europe and the world, began to occupy more pragmatic positions compared with its predecessors. Common to all its actions and initiatives was a policy of strengthening the political principle, whatever issues were involved. Thus once again enlisting its partners in plans for the creation of a monetary union (the European Monetary System—EMS—has been in operation in since 1979), seeing it at that stage of the Community's development as an important lever capable of boosting integration processes, the French Government emphasized primarily the political aspect of this measure (p 111). A tendency toward politicization was also manifested in the fact that Paris endeavored to strengthen the EC institutions, develop European political cooperation and step up military integration.

France's position in the EC in the 1980's, which is reflected in the monograph, is undoubtedly of the greatest interest to the reader. And although this stage is not analyzed here in as detailed and thorough manner as the period of the 1970's, the author has succeeded, in the main, in revealing the most important directions of the activity of the leadership headed by the socialist F. Mitterrand. Like his predecessors, the new president has preserved and strengthened even the "European aspect" in French foreign policy, endeavoring to impart greater dynamism to the integration process.

Use has been made in the attempts to invigorate the political cooperation of the EC states of the long-term interest of West German ruling circles aspiring to strengthen the position of the FRG as the Community's economically most powerful country by a "corresponding growth in its political authority" (p 247). The realization of the aspirations of France and the FRG in this sphere were aided by the signing at the European Council session in Stuttgart (June 1983) of the "Solemn Declaration on European Union," which, although stimulating the role of the Community's political institutions, was nonetheless unable, in the author's opinion, to facilitate the development of integration processes in "little Europe" (p 253). The EC was at that period encountering a serious obstacle—the critical disorderliness of currency and financial problems. It is symptomatic that it was thanks to a considerable extent to the efforts of France, which agreed to certain concessions here, that it was possible at the European Council session in Fontainebleu (1984) to achieve a compromise in this sphere and impart an impetus which enabled "little Europe" to travel from the Stuttgart Declaration to the Single European Act, which has subsequently been ratified by the governments of all members of the grouping.

At the same time the actions of the French leadership testified to its definite departure from the negative attitude of preceding governments of the Fifth Republic toward an expansion of supranational principles in "little Europe" (p 252).

While continuing to develop in the military sphere the line of preceding French presidents, F. Mitterrand has as of the latter half of the 1980's stimulated considerably the bilateral and multilateral military-political cooperation of the Community countries and contributed to the resuscitation of the activity of the Western European Union (WEU), which is a kind of nucleus for the development of military integration in West Europe and the West European support of NATO (p 271). It should be noted that trends have been manifested recently testifying to a certain exclusiveness of this institution in relation to the North Atlantic alliance as a whole.

Summing up what has been said, we would emphasize that the author has succeeded, on the whole, in accomplishing his mission—tracing and analyzing France's participation in "European building" at various stages and in various spheres. Unduly categorical evaluations, in our view, of this action or the other of the participants in the integration process are sometimes encountered in the work. Thus the political palette of Europe and West Europe is characterized, we believe, to a great extent by a half-tone and combination of the so-called Atlantic and European approaches, which undoubtedly complicates study of the processes occurring there.

Footnote

* Yu.A. Mayevskiy, "Frantsiya i 'malaya Yevropa': plany i realnost'" [France and 'Little Europe': Plans and Reality"], Moscow, "Mysl", 1987, pp292.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Book on Economic Changes Within Socialist Community Reviewed

18160004q Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 11, Nov 88 pp 150-152

[L. Nezhinskiy review: "Important Reserve of World Socialism"]

[Text] The work in question,* which was prepared by a group of authors of the CPSU Central Committee Academy of Social Sciences, is as yet one of the few attempts in our literature to collate experience in the sphere of political, economic, social and cultural building and analyze questions of theory and practice associated with the formation and mutual consideration of the collective experience of the fraternal socialist states and with the extension and consolidation of their international relations and cooperation.

The book's analysis of the experience of the interaction of the ruling communist and workers parties is constructed on the basis of sound factual material and marked by the ascertainment of new directions and forms of cooperation together with the traditional ones and an attempt to trace its practical returns and fruitfulness. It is merely a pity that these questions are examined mainly at the level of the top and middle management component. Relations and contacts between lower organizations, to which the fraternal parties have been turning their attention in recent years, have remained virtually untouched.

Much space is devoted to problems of the internationalization of the experience of management of the community countries and the intensification of the development of their economy. And this is justifiable. The need for an acceleration of socioeconomic development by way of all-around intensification was dictated by life itself. The guidelines of all party congresses held in recent years in the socialist countries orient the people's masses toward this.

As the work shows, the forms of intensification of socioeconomic development at the current stage are manifold inasmuch as they encompass an extraordinarily wide sphere of different phenomena. For this reason the search for the basic components of the most rational model of intensive development for each country is not yet complete in the CEMA states (p 95). At the same time the authors believe that, granted all the national singularities, the solution of problems common to all the socialist states in the course of completion of such models affords an opportunity for defining and coordinating a uniform approach to an understanding of the essence of the changes occurring here and a definition of the principles of the operation of their management

mechanisms. From this viewpoint the monograph examines specific processes of intensification of the national economy which have developed in the socialist states and the problems which are being encountered. Special attention is paid to questions of the coordination of their economic policy under the conditions of intensification and a description of the particular features of the fraternal countries' socioeconomic development strategies in the 1980's.

The section devoted to the internationalization of the experience of management of the socialist community countries raises such important questions as the possible forms, scale and directions of the mutual use of industrial production experience and the ways of improving planning and management under the conditions of a restructuring of the economic mechanism and accelerating of socioeconomic development. I would like to highlight the authors' observations concerning the common features and distinctiveness of the ways and methods of introducing and developing in the socialist countries economic accountability as a most important factor of an improvement in the said mechanism. At the same time, however, the book makes practically no mention of a principal feature of the cardinal economic reforms being implemented in almost all the socialist states—the emphatic change toward the principle of the material interest of the immediate producers—this powerful lever of an intensification of all aspects of economic life.

Examining the collective experience accumulated in the sphere of improvement of the political system, the scholars emphasize primarily the unfolding of socialist democracy and analyze the general and particular in the state-political arrangement of the community countries and the role of the local authorities and the workforce in the development of democratic principles of management. Unfortunately, there is insufficient examination of such a pressing problem as the need for the organic unity of the democratization of all spheres of society—economic, political and cultural. Experience testifies that without a surmounting of the braking mechanism, command-administrative methods of management, conservative cliches and the custom of drowning live work in a bureaucratic mire an emphatic change of the economy, policy and culture in the direction of man and his requirements and interests is impossible, as is the transition of the socialist society to a qualitatively new condition adequate to its potentialities and requirements.

Concluding the book is a section on the fraternal countries' interaction in the solution of global problems of the present day. The spectrum here is wide: from the threat of mankind's nuclear self-annihilation to the danger of ecological catastrophe, from the surmounting of the growing division of the world into "rich" and "poor" nations to the insistent need for new sources of raw material and energy to be found. The monograph reveals the exceptionally important role which is performed by the socialist community in world affairs and in solution

of the main problem—the preservation of peace and prevention of a thermonuclear war and the salvation of human civilization. As the experience of history shows, the community states attach great significance to the formulation of a collective line in the solution of the said and other global problems. The book traces on the basis of specific material the main directions in which the socialist countries' struggle for the prevention of nuclear catastrophe and the establishment and maintenance of peaceful relations between the states and peoples of the European and other continents has been and continues to be conducted.

At the same time, however, the material on the socialist countries' interaction on the world scene would have been received, in our view, with a greater degree of novelty had the authors analyzed in greater depth the new features which are associated with the upturn of the USSR's cooperation with its friends since the CPSU Central Committee April (1985) Plenum. It is a question of the increased dynamism of the coordination and adoption of collective political decisions and greater enterprise in the elaboration and implementation of joint foreign policy actions on the part of all socialist community states.

Study and collation of the processes of the internationalization of the manifold experience of socialist building is a capacious and multifaceted topic. The endeavor to raise and analyze a wide range of problems has led to various aspects of this experience being illustrated in the work with dissimilar fullness.

As observed in the preface, the authors saw it as their task to impart impetus to creative thought and stimulate scientific quest (p 4). They have coped with this task, I believe.

Footnote

* "Internatsionalizatsiya opyta stran sotsialisticheskogo sodruzhestva. Ekonomika, politika, ideologiya" [Internationalization of the Experience of the Socialist Community Countries. Economics, Politics, Ideology], Moscow, "Mysl", 1987, 320pp.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

New Books

18160004r Moscow MIROVAYA EKONOMIKA I
MEZHDUNARODNYYE OTNOSHENIYA in Russian
No 11, Nov 88 pp 152-153

[Text] T.B. Beknazar-Yuzbashev, "Parties in Bourgeois Political-Legal Teachings," Moscow, "Nauka", 1988, 176pp.

A.D. Bogaturov, "Japanese Diplomacy in the Struggle for Energy Raw Material Sources: 1970's-1970's," Moscow, "Nauka", 1988, pp197.

"Imperialism's Foreign Economic Strategy in the Developing Countries". Edited by I.O. Fabrizov, Moscow, Izdatelstvo MGU, 1988, pp252.

A.N. Goncharenko, "'Star Wars' in the Strategy of U.S. Imperialism: Doctrines, Forecasts, Alternatives," Kiev, Politizdat Ukrainy, 1988, pp207.

L. Dotto, "Planet Earth in Danger". Translated from the English, Moscow, "Mir", 1988, pp208.

Ye.V. Yermishina, "International Information Exchange: Legal Aspects," Moscow, "Mezhdunarodnyye otnosheniya", 1988, pp142.

Ye.N. Yershova, E.Ye. Novikova, "The USSR-United States: Women and Society. Experience of a Comparative Analysis," Moscow, Profizdat, 1988, pp287.

M.S. Ziborova, "Bonn-Washington: 1970's-1980's," Moscow, "Nauka", 1988, pp240.

"Islam in West Africa". Exec. ed. A.M. Vasilyev, Moscow, "Nauka", 1988, pp268.

L.I. Klimovich, "Book on the Koran, its Origins and Mythology," 2d supplemented, edition, Moscow, Politizdat, 1988, pp286.

S. Kondrashov, "Long Look at America," Moscow, "Mezhdunarodnyye otnosheniya", 1988, pp592.

"The Big City: Problems and Development Trends". Editorial board: V.A. Vorotilov et al., Moscow, "Nauka", 1988, pp168.

P. Kuusi, "This Human World". Translated from the English, Moscow, "Progress", 1988, pp363.

V.K. Lomakin, "Great Britain's Foreign Economic Policy," Moscow, "Mezhdunarodnyye otnosheniya", 1988, pp200.

"International Banks and Insurance Companies in the Capitalist World. Economic-Statistical Reference". Edited by G.P. Solyus, Moscow, "Mysl", 1988, pp303.

"Mechanism of Foreign Economic Activity. Digest of Documents". Editorial board: V.P. Mozhin et al., Moscow, "Pravda", 1988, pp174.

"The World Capitalist Economy and the Developing Countries: Regularities and Contradictions of the Reproduction Mechanism". Edited by N.S. Babintseva, Leningrad, Izdatelstvo LGU, 1988, pp207.

"The Oceans and International Law. The Open Seas. International Straits. Archipelago Waters". Exec. eds. A.P. Movchan, A. Yankov, Moscow, "Nauka", 1988, pp230.

"Munich—Threshold of War. Historical Essays". Exec. ed. V.K. Volkov, Moscow, "Nauka", 1988, pp310.

"At the Whim of Fate. 'Programmed' Poverty in the FRG". Translated from the German, Moscow, "Progress", 1988, pp160.

N.Ya. Petrakov, "Democratization of the Economic Mechanism," Moscow, "Ekonomika", 1988, pp270.

"The Soviet Union at International Conferences of the Great Patriotic War Period. 1941-1945". Vol 6. "The Berlin (Potsdam) Conference of the Leaders of the Three Allied Powers—USSR, United States and Great Britain. 17 July-2 August 1945. Digest of Documents," Moscow, Politizdat, 1988, pp511.

"The Modern World: Internationalization and Relations of the States of the Two Systems". Exec. ed. O.T. Bogomolov, Moscow, "Mezhdunarodnyye otnosheniya", 1988, pp253.

"Social Policy and Enterprise. Experience of the CEMA Countries". Exec. ed. L.S. Degtyar, Moscow, "Nauka", 1988, pp125.

"USSR-Colombia: 50 Years of the Establishment of Economic Relations. 1935-1985. Documents and Material". Editorial board: E.A. Shevardnadze et al., Moscow, Politizdat, 1988, pp183.

"The CEMA Countries in Figures. 1988. Concise Statistical Digest," Moscow, "Finansy i statistika", 1988, pp127.

S.L. Tikhvinskiy, "China and World History," Moscow, "Nauka", 1988, pp589.

L.M. Chetvertnoy, "USSR-FRG: Problems of Trade and Economic Cooperation," Moscow, "Mezhdunarodnyye otnosheniya", 1988, pp159.

A.V. Shishayeva, "Military-Industrial Complexes in West Europe," Moscow, "Mezhdunarodnyye otnosheniya", 1988, pp175.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".

"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Chronicle of IMEMO Institute Scientific Activities

18160004s Moscow MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA in Russian No 11, Nov 88 pp 155-157

[Text] The role and place of the two great powers on the world scene, the characteristic features and particularities of their diverse mutual relations, which have a difficult history, the ways and necessary means of improving the latter, the present day and the prospects of international economic cooperation—such were the pivotal issues to an in-depth analysis of which the latest (13th) Soviet-American symposium on problems of world economics and the long-term forecasting of USSR-United States economic relations organized on the initiative of the IMEMO and the Stanford Research Institute (SRI) was devoted. Its participants included prominent international affairs specialists, experts, executives and businessmen. From the Soviet side, O.N. Bykov, corresponding member of the USSR Academy of Sciences, and I.S. Korolev, doctor of economic sciences (delegation leader), deputy directors of the IMEMO, I.Ye. Artemyev, A.Z. Astapovich, L.M. Grigoryev and A.A. Dynkin, candidates of economic sciences (all of the IMEMO), Prof I.D. Ivanov, doctor of economic sciences, deputy chairman of the USSR Council of Ministers State Foreign Economic Commission, Prof V.G. Kostakov, doctor of economic sciences, director of the USSR Gosplan Scientific Research Economics Institute, Candidate of Economic Sciences E.V. Kirichenko, Prof L.L. Lyubimov, doctor of economic sciences (IMEMO), N.Ya. Petrakov, corresponding member of the USSR Academy of Sciences, deputy director of the USSR Academy of Sciences Central Economico-Mathematical Institute, V.V. Simakov, chief of the USSR Gosplan Science and Technology Consolidated Department, Candidate of Historical Sciences G.M. Sturua (IMEMO), Doctor of Economic Sciences V.M. Shastitko, deputy director of the USSR Academy of Sciences Institute of Economics of the World Socialist System, Prof N.P. Shmelev, doctor of economic sciences (USSR Academy of Sciences United States and Canada Institute), and Prof R.M. Entov, doctor of economic sciences (IMEMO). From the American side, Dr W. Miller, president of [SII] International (delegation leader), Dr (Ya. Vanous), Princeton University professor P. (Kenen), Pennsylvania University professor H. Levin, (I.) Lederer, director of [SII] International, L. Olmer, representative of (Pol, Vayss, Rigkaynd, Uorton and Garrison), Dr (Dzh. Khardt), deputy director of the Library of Congress Research Service, Prof A. Horelik, director of the RAND Research Center, G. Schroeder-Greenslade, professor at the University of Virginia, M. Shulman, professor at the Harriman Institute, and Dr C. Schultze, director of the economic studies program at the Brookings Institution.

In his opening remarks Academician Ye.M. Primakov, director of the IMEMO, welcomed the guests and all participants in the important international forum, wishing them fruitful work. He dwelt briefly on the main

areas of implementation of perestroyka in the USSR and the goals and tasks connected with the reconstruction of the political system, the development of socialist democracy and the new thinking and the expansion of glasnost and also on the serious international-political consequences of these salutary processes. In his speech in reply SII President W. Miller emphasized the significance and usefulness of the bilateral work contacts which were being established and the open contacts and dialogue of scientists and representatives of business circles and the positive impact which the changes taking place in the USSR could have on the evolution of Soviet-American relations.

An analysis of the manifold problems of the U.S. economy was made at the symposium by C. Schultze, L.L. Lyubimov and R.M. Entov. P. (Kenen), I.Ye. Artemyev and L.M. Grigoryev devoted their reports to an examination of the current state and prospects of economic relations among capitalist states. Questions of the economic development of the USSR were the subject of a lively discussion in which V.G. Kostakov, N.Ya. Petrakov, V.V. Simakov, H. Levin and G. Schroeder-Greenslade participated. Various viewpoints on problems of economic relations among CEMA countries were presented in the speeches of V.M. Shastitko and (Ya. Vanous). The participants in the forum treated with great interest and assertiveness the discussion of the present situation and the ways and possibilities of the development of East-West relations. Comprehensive reports on these problems had been prepared by A. Horelik, (Dzh. Khardt), M. Shulman, I.S. Korolev, O.N. Bykov and E.V. Kirichenko. The speeches of I.D. Ivanov, A.Z. Astapovich, (Dzh. Khardt) and L. Olmer, which subjected to a serious and critical analysis the highly complex issues connected with the creation and organization of the successful work of joint ventures, were connected directly with this exceptionally important topic.

As a whole, the symposium was distinguished by a spirit of sober realism and an emphatic sense of responsibility. Thus the leitmotiv of the discussion was the idea that there should be no repetition of the situation when, in the 1970's, there were on both sides unjustifiably "exaggerated expectations" concerning the pace and prospects of the development of Soviet-American relations, in the economic sphere primarily. Reality, imbued with mutual confrontation, proved, as is known, considerably more complex and "tougher" than some euphoric prophesies. The long-awaited detente was replaced by a long period of distrust accompanied by the use of various means of power pressure, all-out confrontation, attacks and so forth. Now the two countries have a long-awaited opportunity: the prospects of a favorable development of their relations should, the participants in the forum believe, be linked with the successful progress of the Soviet perestroyka and the break with the command-administrative system on the one hand and the renunciation of imperial, hegemonist pretensions in the world arena,

unbridled anticommunism, anti-Soviet cliches and the customary aggressiveness on the other. A great deal of joint work vitally necessary for the fate of all mankind lies ahead.

The wide spectrum of questions concerning the mutual relations of the two systems, the opposing military alliances and the USSR and the United States was discussed in the course of a Soviet-American seminar on problems of a reduction in armed forces and conventional arms conducted in the IMEMO on 12-13 September. They included the current content, problems of comparison and adequate interpretation and also evolution of the military doctrines of the Warsaw Pact Organization and the North Atlantic bloc; the possibilities and paths of convergence of viewpoints concerning the achievement and maintenance of conventional stability and security in Europe; the parties' approaches to realization of the "reasonable sufficiency" principle with reference to the composition and structure of the armed forces of the USSR and the United States and the Warsaw Pact and NATO as a whole; the subject of possible negotiations and possible paths of a solution of the problem of a reduction in armed forces and conventional arms in Europe; the leveling of subregional balances on the continent and transition to "nonprovocative" defenses; problems of verification and "third-generation" confidence-building measures. Well-known scientists, diplomatic officials and associates of research institutions and organizations of the two countries participated in the seminar.

The meeting took place in an atmosphere of candor and joint search for fruitful, realistic approaches to the accomplishment of such important and complex tasks. The comparison of different, sometimes opposite viewpoints was combined with the sober orientation of its participants toward constructive compromise. Thus a leading RAND Corporation expert, E. Warner, expressed the opinion that a solution of the problem of conventional arms in Europe could not be approached along the path of a reduction in tactical nuclear arms in this region; this, he said, corresponds to the position not only of the United States but of the other NATO states also. Members of the American delegation expressed the idea that the creation (on the basis of mutual agreement) of a corridor of a reduced concentration of arms could serve to strengthen stability here. Such a proposal was presented by J. Dean, chairman of the Union of Concerned Scientists of the United States, and delegation head R. Forsberg. It would be necessary, in their opinion, to withdraw from this corridor all types of offensive arms—tanks, aircraft, heavy artillery and so forth—and the strictest inspection should be practiced, what is more. The idea of the creation of such a corridor was shared in principle by the Soviet participants in the seminar also, although was not regarded as the sole possible way to achieve the set goal.

During discussion of the specific issues connected with a reduction in conventional arms in Europe our side expressed a number of new considerations, specifically,

in the speeches of Doctor of Historical Sciences A.G. Arbatov, Candidate of Historical Sciences N.S. Kishilov and other experts. As a whole, these approaches did not meet with serious objections on the American side, although an acute polemic arose on individual details. Thus there were arguments concerning the specific geographical zones of the reductions, the problem of consideration of reserve and non-combat-ready formations, the monitoring of the manufacture of arms and military equipment and certain other questions.

Both the Soviet and American participants in the meeting noted the businesslike, constructive thrust of the exchange of opinions and its undoubted practical benefit for both parties in respect of the further development of scientific-creative ties between them and stimulation of the search for new ideas and approaches to the accomplishment of urgent tasks of ensuring peace and security.

The institute was visited by Prof A. Macauley, director of the Center of Russian and Soviet Studies at Essex University (Great Britain). During a meeting with IMEMO scientific associates the guest was notified about the basic areas of research and the changes taking place in connection with perestroika. There was an exchange, in particular, of opinions concerning the political and economic situation in Great Britain. Questions of national self-government in Scotland and Wales and the correlation of traditions and changes in the way of life and thought, political views and behavior and value orientations of the representatives of different generations of British society were broached. The central place in the discussion on economic problems was occupied by an evaluation of the trend toward deregulation, particularly in the financial sphere, which is being observed, and the changes in the status of insurance companies, the building societies and so forth. Particular attention was paid also to shortcomings in the sphere of administration typical of British management today. The Soviet colleagues expressed interest in Prof A. Macauley's proposal concerning the organization of two joint seminars, the purpose of which would be discussion of the parties' positions on various topical problems of the sociopolitical and economic development of Great Britain and the USSR.

Scholars from Yugoslavia—V. Pilic and M. Pavlovic, professors of the Political Economy Department of Belgrade University—visited the IMEMO. Associates of the institute told the guests about the work of the Department of General Problems of the Political Economy of Modern Capitalism, its structure and the current and long-term tasks facing this subdivision. Doctor of Economic Sciences I.M. Osadchaya illustrated in detail the work of the Methodological Council and shared her thoughts on a fundamental work on political economy which is in preparation. Prof V. Pilic displayed great interest in the research being performed in the department in the sphere of new tendencies in Western economic science. The participants in the meeting discussed

in detail the changes occurring in the system of government intervention in the economy of developed capitalist countries and a number of other problems.

The USSR Academy of Sciences IMEMO was visited by K.S. Sandu, director of the Southeast Asia Institute (Singapore). The guest inquired after current areas of work, the particular features of the structure of the Pacific Research Department and relations with other IMEMO subdivisions and, in turn, described the activity of the research institution which he heads and which studies problems of the development of the ASEAN countries and the extension of their relations with the United States, Japan, the PRC, West Europe and also with the USSR and the East European states. He emphasized that the region is taking note of the stimulation of Soviet foreign policy, which, however, should be buttressed by an expansion of the USSR's economic presence in the Asia-Pacific region. K.S. Sandu observed that Singaporean scholars are willing to broaden their contacts with research institutions and organizations of the Soviet Union, specifically, to examine the possibility of the discussion at bilateral and multilateral meetings of actual economic and political problems of Southeast Asia and the Pacific region as a whole.

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Articles in MEMO Not Translated

18160004t Moscow *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA* in Russian
No 11, Nov 88 pp 1-2

[Text] Factors of the Formation of Capitalist Countries' Currency Exchange Rates (Yu. Kuzovkov) pp 90-95

Malicious Intent or Economic Processes? (S. Pyatenko) . pp 96-101

Spain: Shifts in the Alignment of Sociopolitical Forces (S. Khenkin) pp 111-119

The FAO and the Food Problem in Developing Countries (M. Kobishchanov) pp 120-122

The Market, the Hierarchy and the Agro-Industrial Committee (Alec Nove) pp 123-125

Way to World Unity? (T. Kronsho) pp 125-127

Current Problems of the Development of Capitalism's Monetary-Credit Sphere (D. Smyslov, V. Usoskin) . pp 143-145

The 'Foreign Factor' in Britain's Economy (N. Gnatovskaya) pp 146-148

Technical Progress and International Cooperation (N. Krichigina) pp 148-150

Letter to the Editor pp 153-154

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988

Publication Data

18160004u Moscow *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA* in Russian
No 11, Nov 88

[Text] English title: WORLD ECONOMICS & INTERNATIONAL RELATIONS

Russian title: *MIROVAYA EKONOMIKA I MEZHDUNARODNYYE OTNOSHENIYA*

Editor: G.G. Diligenskiy

Publishing house: Izdatelstvo TsK KPSS "Pravda"

Place of publication: Moscow

Date of publication: November 1988

Signed to press: 17 October 1988

Copies: 24,000

COPYRIGHT: Izdatelstvo TsK KPSS "Pravda".
"Mirovaya ekonomika i mezhdunarodnyye otnosheniya", 1988